

# The NATIONAL UNDERWRITER

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## Perhaps I DO Need More Insurance



Too many persons buy a hit or miss amount of fire and furniture insurance for their homes, then let it go at that. This is bad... bad for homeowners, for insurance companies, and for agents as well. Therefore, we are making an effort — through national advertising reaching 1,750,000 homeowners every month — to show "Mr. and Mrs. America" how to get proper protection for the home.

### Some Good Timely Advice

In every advertisement we urge homeowners to do business with local insurance agents. We suggest that homeowners put more faith in their agents; that they consult them freely and often. Moreover, we point out the advantages of having a complete analysis and full protection plan written for the home.

### Some Very Helpful Assistance

In addition, we offer free informative booklets on "Insurance for the Home." Booklets that explain policies and show how to buy insurance. Free household inventories are also offered, and each day brings new batches of requests from prospects. But most important, we offer — through the facilities of the Three Employers' Group Companies — all types of insurance for the home complete under one plan.

### YOUR OPPORTUNITY FOR MORE SALES

Our monthly house organ "The Employers' Pioneer" contains many interesting articles that show how to cash in on national advertising and develop not only homeowner lines, but all others as well. Write to Publicity Dept. for the current issue. No obligation.



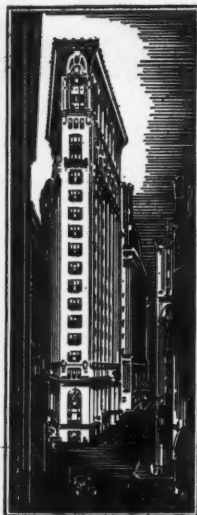
## The EMPLOYERS' GROUP

110 MILK STREET, BOSTON, MASSACHUSETTS

The Employers' Liability Assurance Corporation, Ltd. — The Employers' Fire Insurance Company — American Employers' Insurance Company



THURSDAY, SEPTEMBER 28, 1939



FIRE • MARINE • CASUALTY • SURETY

# Great American Group of Insurance Companies New York

NEW YORK • CHICAGO • MONTREAL • SAN FRANCISCO

AGENTS EVERYWHERE

## GREAT AMERICAN INSURANCE COMPANY

NEW YORK, N. Y. • Incorporated 1872

## GREAT AMERICAN INDEMNITY COMPANY

NEW YORK, N. Y. • Incorporated 1926

## AMERICAN ALLIANCE INSURANCE COMPANY

NEW YORK, N. Y. • Incorporated 1897

## ROCHESTER AMERICAN INSURANCE COMPANY

NEW YORK, N. Y. • Incorporated 1928

## DETROIT FIRE & MARINE INSURANCE COMPANY

DETROIT, MICH. • Incorporated 1866

## MASSACHUSETTS FIRE & MARINE INSURANCE COMPANY

BOSTON, MASS. • Incorporated 1910

## THE NORTH CAROLINA HOME INSURANCE COMPANY

RALEIGH, N. C. • Incorporated 1868

## COUNTY FIRE INSURANCE COMPANY OF PHILADELPHIA

PHILADELPHIA, PA. • Incorporated 1832

## THE AMERICAN NATIONAL FIRE INSURANCE COMPANY

COLUMBUS, O. • Incorporated 1914

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President, Great American Insurance Company and Affiliated Companies



# The NATIONAL UNDERWRITER

Forty-third Year—No. 39

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, SEPTEMBER 28, 1939

\$4.00 Per Year, 20 Cents a Copy

## Attorney General's Opinion in Texas on Mutual Cover

### Holds Political Subdivisions Can Not Insure in Such Companies

Attorney General Mann of Texas has ruled that counties and other political subdivisions in Texas cannot legally insure property in mutual companies. This clarifies conflicting opinions that have been rendered under five different administrations and answers the question as propounded by E. G. Moseley, civil district attorney at Dallas, who was told by the Dallas Insurance Agents Association that it believed that the county and city of Dallas were acting illegally in buying mutual insurance.

The attorney general held that Article 4860a-8, enacted by the 41st legislature to give public corporations the right to purchase insurance in mutual associations was invalid. He held that part of Section 8 of the acts of that legislature purporting to give public corporations the right to purchase insurance in mutual companies unconstitutional because it violated Section 52 of Article III of the Texas constitution. That section of the constitution, Mr. Mann said, declares "the legislature shall have no power to authorize any county, city, town or political corporation or subdivision of this state to lend its credit or to grant public money or thing of value in aid of or to any individual, association or corporation whatsoever, or to become a stockholder in such corporation, association or company."

### Have No Capital Stock

Reciting state statutes authorizing and regulating mutual insurance other than life, Mr. Mann pointed out that mutual companies ordinarily possess no capital stock but are made up of all the policyholders who take the place of the stockholders in an ordinary corporation, and therefore the members and stockholders of a mutual company are identically the same. As a result, a political subdivision insuring property in a mutual company would in effect become a stockholder in that company.

He said in the opinion: "We have read many cases in this and other jurisdictions. While the precise question of the legality of political subdivisions purchasing mutual fire insurance has not been before our Texas appellate courts, we have three cases construing various phases of our workmen's compensation act, containing language we deem conclusive of the question."

### Three Cases Cited

Cited were the cases of the Texas Employers vs. City of Tyler; Southern Casualty vs. Morgan; and McCaleb vs. Continental Casualty. In a concurring opinion in the case of Southern Casualty vs. Morgan, the attorney general

## Air Conditioning Systems Often Increase Loss Risk

Ducts of air conditioning systems frequently provide the means for an actual fire to communicate between areas of buildings or between floors of buildings of superior construction and thus upset previously determined loss estimates, J. T. W. Babcock, engineer Western Factory Association, Chicago, pointed out in speaking before the Association of Fire Examiners of that city. Many parts of a building are then subjected to consequential smoke damage of a minor fire which ordinarily would have been completely controlled.

The only positive division of a fire area is the physical fire division, either a standard fire wall or a complete floor cut off in a superior building or an actual separation of buildings a safe distance away.

The introduction of the duct system of air conditioning must respect these fundamental fire control features of a risk if the same basis for underwriting the risk is to be retained. A standard fire wall can no longer be given the same consideration after it has been equipped with a large metal, air conditioning duct.

### Must Analyze More Carefully

The loss possibility of a building equipped with an air conditioning system must be more carefully analyzed. Many building occupancies may not be materially damaged by smoke discharged or circulated through air condition systems, while others may be only damaged to the extent of redecorating.

On the other hand there are risks which may result in a complete loss of very valuable contents. An example is the animal group of a pharmaceutical manufacturer's laboratory where scientists have spent years in valuable work.

noted Justice Critz referred to the City of Tyler case and held: "In the City of Tyler case, the policy of insurance was issued by Texas Employers, a mutual company, chartered under the laws of this state, and the taking out a policy in said association clearly involved the city as a member of or stockholder in said concern, a thing clearly prohibited by the articles of our constitution."

The attorney general continued: "We therefore, feel it incumbent upon us to overrule conference opinion No. 2880 (one of the former opinions) inasmuch as the express language of our appellate courts clearly indicate the opinion of the judges to be that political subdivisions cannot legally purchase insurance from mutual companies because of Section 52 of Article III of our constitution. We have been unable to perceive any possible distinction of law between mutual fire insurance and mutual employers liability or workmen's compensation insurance insofar as the constitutional provisions are applicable.

"We recognize the effort of the legislature in the enactment of Article 4860a-8, to attempt to sanction such insurance by public corporations, and we realize the effect of our opinion will be to declare that part of the statute unconstitutional. We perceive such to be our duty in view of the expression of

The rooms are invariably air conditioned. A relatively small amount of smoke will asphyxiate the animals and years of valuable work will be lost forever.

The department store, hotel and theater may represent examples of large loss possibilities, while the machine shop or factory where less damagable materials or unfinished work are handled, would ordinarily represent the minimum of loss probability.

### Air Conditioning Increases Risk

In some cases the possibility of drawing smoke into a building from an exposure fire in the vicinity may be the cause of a loss of considerable consequence. The least that can be said from the fire underwriter's point of view about an air conditioned building is that it has not improved the building as a fire risk. Whether the air conditioning system is operated or idle does not appear to affect the loss possibilities to a great extent.

Statistics show that about as much damage can occur in a building without the fans operating as in one while the system is in full operation, particularly if the contents of the building are vulnerable.

Probably one of the greatest developments for control of loss possibilities is the perfection of the smaller unit type of air conditioning equipment. Several of these small units are frequently operated on one floor and in one fire area and do not upset the construction of the risk. Unfortunately this type of equipment is not applicable to all buildings, but where they are installed the fire underwriter's problem is considerably reduced. In many cases they are less expensive than a single large unit.

our Texas courts. After careful and exhaustive investigation of all available authorities, we are of the opinion and you are respectfully advised that Dallas county cannot legally purchase insurance in mutual fire or casualty companies; that such purchase would involve taking membership in or becoming a stockholder in such corporation, association or company in direct violation of the provisions of the Texas Constitution."

It was the eighth opinion written by the attorney general's department in 20 years on the subject. Three opinions held mutual insurance illegal for political subdivisions and four to the contrary, in at least one of which, serious doubt was indicated on the part of the author. First opinion was rendered in 1919, and others in 1921, 1923, 1931, 1932, and 1938, with five different administrations writing on the subject.

### Expect Rate Change in N. Y.

ROCHESTER, N. Y.—Agents here understand that revised fire rates covering a number of risk classes throughout the state, will shortly be promulgated to become effective Oct. 2. The new rates are the result of a study of the loss experience by the governing state body in conjunction with the department.

## Program Announced for Missouri Agents at Excelsior Springs

### Annual Meeting Schedule of the State Local Men's Meeting

KANSAS CITY — W. A. Sullivan, insurance manager of the Loose-Wiles Biscuit Company, Kansas City, who will address the Missouri Association of Insurance Agents convention at Excelsior Springs, Oct. 23, is an outstanding and one of the most popular insurance speakers in the middle west.

Mr. Sullivan has a long and distinguished background in business and in insurance. He took an active part in bringing about a satisfactory compensation law in Missouri. He went with T. H. Mastin & Co., Kansas City, in 1918 to do work in claims, accident prevention, and underwriting. For 12 years he has been a member of the National Safety Council and for two years was general chairman of its food section. He is a member of the board of governors of the local safety council. He has taken an active part in the insurance division of the American Management Association, and is associated with the Insurance Buyers of New York. At the present time he is a director of the Research Risk Institute, and he is active in the Insured Buyers' Conference of the Associated Industries of Missouri, a group of buyers.

The program for the annual convention at the Elms Hotel, Excelsior Springs, Oct. 23-24, which promises to be one of the largest in the history of the organization, has been completed by W. J. Welsh of Mann, Barnum, Kerdolff & Welsh, here, president. It is:

### Monday, Oct. 23

Morning—Golf, registration and meeting of executive committee. L. W. Garlicks, St. Joseph, chairman.

Afternoon—Call to order, W. J. Welsh, president, Kansas City.

Welcome to Excelsior Springs, Sam Sherwood, Excelsior Springs Insurance Agents Association.

Response, Al Burgess, president, Joplin Insurance Agents Association.

Report of the president.

"As the Buyer Sees the Agent," W. A. Sullivan, insurance manager, Loose-Wiles Biscuit Company, Kansas City.

Report on Missouri Insurance Council, M. T. Jones, president, Kansas City.

"Public Relations—Have We Followed 'Show Me' Methods?" Wellington (Duke) Potter, Rochester, N. Y.

Committee appointments, resolutions, nominations.

Question box answers.

Evening—Annual get-together dinner. Address, Judge R. B. Lucas, insurance superintendent of Missouri.

Entertainment.

### Tuesday, Oct. 24

Morning Session

Treasurer's report, John J. O'Toole, St. Louis.

New Constitution and By-laws, L. W.

(CONTINUED ON LAST PAGE)

## Some Observations Made on White Sulphur Muster

Prior to the meeting of the Western Underwriters Association at White Sulphur Springs, W. Va., there seemed to be considerable sentiment for holding the annual meeting in April at some point farther south where the weather might be more propitious and stable. However, White Sulphur Springs is a favorite spot, the hotel is magnificently operated, the members feel at home, it is comparatively easy of access and hence when the arrangements committee put it to a vote of members, there was no opposition to White Sulphur. There had been a suggestion that the spring meeting be held at Asheville, Pinehurst or Augusta. Some members favor Hot Springs, Va., but the majority are tied closely to White Sulphur Springs.

It seemed to be a question among members as to what the future has in store for any further serious discussion or exploration on the subject of endeavoring to bring about some understanding as to collateral lines. At present many of the companies feel that the writing of collateral lines is used in part as a strong bait for regular fire business and there has been a feeling that some course should be pursued to eliminate abuses. At the meeting of the large committee that was appointed to receive the report of the subcommittee that delved into the subject there was considerable discussion. Some company officials not on the committee were present and participated. The whole subject is back in the hands of the governing committee for further disposal.

One of the subjects that received serious consideration was the practice of appointing a field man and calling him general agent giving him over-riding commission, sweetened with a contingent. There seems to be two objections to this practice in the use of the designation "general agent." In the first place, it is a misnomer inasmuch as the official is simply a glorified state agent or a field supervisor. The bona fide general agents object to the term being employed because it leaves a wrong impression and furthermore it makes some of them dissatisfied with their own contracts, they feeling that the so-called field supervisor is more favored. Then again it has been found that companies writing inland marine and automobile may appoint this field man as general agent and in that connection abuses arise. The term "general agent" applied either to a field supervisor or the regular general agent comes under the same rules in the Western Underwriters As-

sociation. There are not so many field supervisory general agents but some declare that the practice is growing. Therefore, it was recommended that the governing committee establish a new classification to cover the field supervisors.

There was general satisfaction taken in the invitation that was extended to H. A. Clark, western manager of the Firemen's, president of the Western Insurance Bureau and its secretary, F. C. Schad, to be present at the opening exercises and the banquet.

So far as can be ascertained this is the first time that the organization has had an open session, inviting visitors to it. Therefore, a precedent of 60 years was broken.

It is very gratifying to observers who have been on the ground for many years to note the high character of the junior officials who are attending these meetings and who will be in command in later years. They are men of training, wide experience, much interested in the work, they do a lot of thinking and they leave an excellent impression.

## London Assurance Gets Out Treatise on Profit Motive

Preparation of a booklet designed to help local agents promote the profit motive in their individual communities along the general lines followed by Bernard P. Carter of Richmond in his drive against consumer cooperatives in Virginia and the Carolinas is announced this week by London Assurance. The booklet was written by Walter Meiss, executive general agent, and Ralph W. Bugli, advertising manager.

Plans for the booklet were made at Hollywood, Fla., last April following Mr. Carter's talk on the profit motive at a spirited session of the National Association of Insurance Agents' midyear meeting. Noting the enthusiastic response to the address Mr. Meiss volunteered the facilities of the London group in helping project Mr. Carter's message on a nation-wide scale. This offer, announced publicly by President William H. Menn, at a later session of the convention, was warmly applauded.

Officials of the London cooperated with Albert R. Menard, director of the Business Development office, in working out their ideas.

## Illinois Fire Acts to Increase Capital

### Running Mate of Millers National Elects New Officers and Directors

Through action of the board of directors \$300,000 has been paid into the surplus of the Illinois Fire increasing its capital structure to \$535,000.

A financial statement will be published shortly, following an approved audit, which will show approximately \$685,000 in total assets. Liabilities will approximate \$155,000, so with its comparative large reserves the company is in excellent condition to expand its operations, which is the plan of the new management.

The Illinois Fire's new investment portfolio will consist of \$300,000 in short term government bonds and the balance in cash, which puts this company in an extremely desirable liquid condition.

Officers of the Illinois Fire as announced are L. C. Gray, president, W. S. Whitford, executive vice-president, Samuel Plant, vice-president, Arthur A. Krueger, secretary-treasurer, R. S. Danforth, assistant secretary, and G. P. Tresselt, assistant treasurer.

### New Directors Elected

Illinois Fire board of directors elected are L. C. Gray, H. S. Helm, Arthur A. Krueger, J. H. MacMilland, Samuel Plant, Philip H. Postel, George P. Urban, C. B. Warkentin, and W. S. Whitford. Both officers and directors are the same as the Millers National Insurance Company, which company, as previously announced, now owns the Illinois Fire stock.

Henry F. Tuerk was named superintendent of agencies and manager of the Peoria office of the company where complete service facilities will be maintained. Mr. Tuerk, who has a service record of 37 years with the Illinois Fire, will continue his executive duties and will be assisted by Joseph A. Bunk, chief accountant, also Eugene E. Wild. Mr. Bunk has been with the Illinois Fire for 27 years, and Mr. Wild has a service record of 17 years.

### Rumor Long to Succeed Hall

ST. PAUL, MINN.—Reports were current around the Twin Cities this week that Leonard Long will succeed Oscar Hall as rate supervisor in the department. Mr. Long formerly held that position.

## THIS WEEK IN INSURANCE

Harold F. Shea of Montpelier, Vt., and other officers of the Vermont Association of Insurance Agents were reelected at the annual meeting. **Page 5**

The General Exchange will have a running mate in the Motors Insurance Corporation under the same general management. **Page 34**

Attorney-General Mann of Texas has ruled that counties and other political subdivisions in Texas cannot legally insure property in mutual companies. **Page 3**

New Mexico Association of Insurance Agents elect Thornton Seligman as new head. J. K. Boyce, H. C. Stoll, and G. R. Stroub provide highlights at sixth annual session. **Page 6**

War risk marine market settling down; Mediterranean and Far East cargo rates reduced. **Page 34**

Silliman Evans, who for five years has been chief executive of the Maryland Casualty, retires as chairman of the board and is succeeded by Stewart McDonald, who is head of the Federal Housing Administration at Washington, D. C. **Page 17**

The Springfield F. & M. is launching the New England Casualty. **Page 17**

The closing of important tobacco warehouses in North Carolina points may create something of a moral hazard. **Page 31**

Comment is made on insurance stocks under war conditions by Baltimore investment house. **Page 10**

Following purchase by Millers National, Illinois Fire elects new officers and increases capital. **Page 4**

Some of the features of the meeting of the Western Underwriters Association at White Sulphur Springs. **Page 4**

C. M. Boteler, Washington, D. C., elected president of National Association of Mutual Insurance Agents at annual meeting in Buffalo. **Page 8**

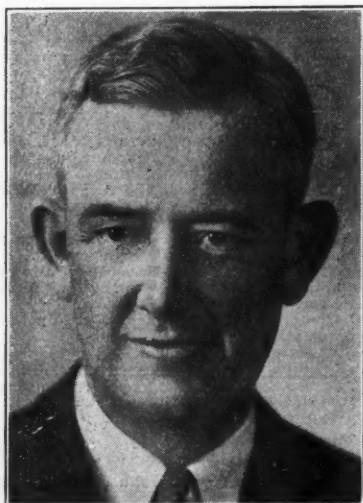
Program is announced for the annual meeting of the Maine Association of Insurance Agents to be held at Waterville. **Page 33**

Program for the annual meeting of the Missouri Association of Insurance Agents at Excelsior Springs is announced. **Page 3**

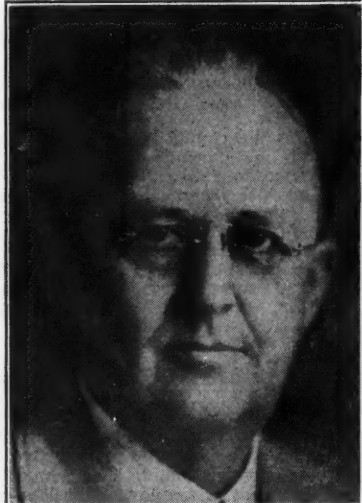
Underwriting of rates for machinery of power plants and steam boiler coverage not affected by war conditions abroad. **Page 19**

Attorney General Warren of California rules that the so-called "30 Thursday" warrants included in the "ham and eggs" pension program to come before the California voters cannot be used for payment of insurance premiums nor can companies used them to pay losses. **Page 32**

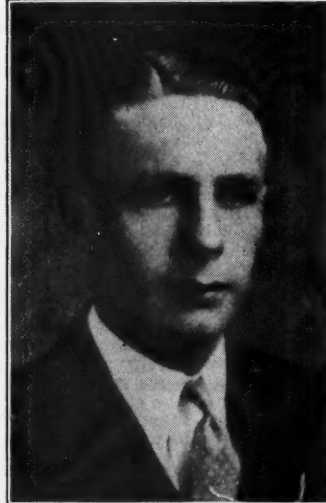
## COMMITTEE CHAIRMEN AT BOSTON AGENCY CONVENTION



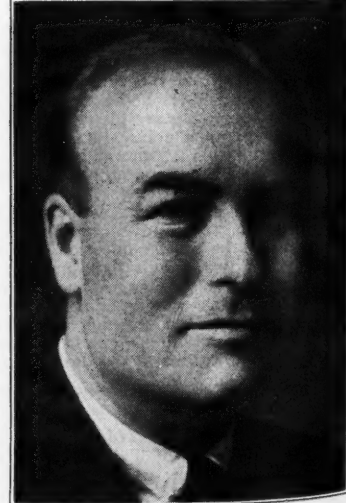
L. W. GARLICH, St. Joseph, Mo.  
Fire Prevention



L. P. McCORD, Jacksonville, Fla.  
Publicity and Education



JOHN J. ROE, JR., Patchogue, N. Y.  
Accident Prevention



R. W. FORSHAY, Anita, Ia.  
Rural Agents



## Vermont Association in Annual Muster

**Harold F. Shea of Montpelier was Reelected as President**

At the annual meeting of the Vermont Association of Insurance Agents at Basin Harbor, H. F. Shea of Montpelier was reelected president. Newton Smith of Brandon is again vice-president and A. C. Mason of Rutland, secretary and treasurer. J. C. DeWitt of Shoreham becomes chairman of the executive committee. The other members are H. A. Allen, Burlington; A. W. Hawkins, St. Johnsbury; George Kent of Barre; W. C. Lawrence of Springfield; A. L. Maynard, Brattleboro; and F. S. Reed, St. Johnsbury.

Roy A. Duffus of Rochester, N. Y., was one of the speakers, giving a sales talk, saying that the present day successful agent should have a thorough knowledge of his business and should be able to defend the agency system before the public. He urged agents to hold educational meetings in their own offices. He thinks there is great advantage to be gotten by round table discussions on part of local boards.

H. P. Janisch, secretary of the Association of Insurance Agents & Brokers, spoke on his favorite topic in presenting the danger of direct writers to the agency system. He said that the local agency mutuals have more to fear from such inroads than the stock companies. For this reason he said that the agency mutuals should be more careful to protect their agents and brokers. From the very nature of their business he insisted they should not give aid and assistance either directly or indirectly to the direct writers. He said that reinsurance by membership in the various pools or in various insurance organizations on part of agency mutuals with direct writers tends to undermine the foundation of the former.

He said there are two classes of direct writers. One goes into a territory to develop the business directly from the start. The other, which is more numerous, attempts to build up a good volume of business by agents and brokers and then in a few years goes after the business direct by paying higher dividends.

### Col. Dunham on the Program

H. P. Dunham, New York, vice-president American Surety and New York Casualty, discussed the current surety situation, particularly the probable contract bond increase due to the war.

At the meeting H. F. Shea of Montpelier, president, made three suggestions. One was that the organization have a meeting within 30 days following its annual meeting at which only agents attend, so that they might find out some of the problems confronting them. In this way the incoming executives would have something definite to work on. He suggested also that the annual meeting be held following the National association gathering instead of before. He also suggested that the Vermont association might be benefited by advertising in a manner best outlined by the officers to combat direct writing mutuals. He brought out some of the conditions now existing in Vermont which he thought both companies and agents should eliminate. He announced that the officers had already discussed some of these situations with the Vermont fire companies and they promised their hearty cooperation.

### Ohio Blue Goose Meeting

COLUMBUS, O.—The Ohio Blue Goose will hold a business meeting Oct. 2 at the Columbus Athletic Club at 7:30 p. m. Features of the meeting will be a report of the grand nest committee on the highly successful meeting in Cincinnati and the completion of the

## ROCHESTER N. Y., STEM WINDERS



ROY A. DUFFUS



WELLINGTON POTTER

Two very potent, forceful, creative local agents of Rochester, N. Y., are most popular speakers before state local agents conventions today, they being Roy A. Duffus, secretary, James Johnston agency, and the other, Wellington Potter. Mr. Duffus deals entirely with salesmanship, business production and

business building. Mr. Potter gives a varied talk but centers his fire on meeting non-stock competition. Rochester has a coterie of strong, thorough-going agents. It has contributed and is still contributing much to the organized agency movement. Its reputation for hospitality is well known.

### Interesting Figure at the Boston Convention

Attending the annual meeting of the National Association of Insurance Agents next week in Boston will be an important figure in its history. Henry H. Putnam, who is now publicity director of the John Hancock Mutual Life, will be in attendance at the annual meeting of the Insurance Advertising Conference, which meets the first two days of convention week. Mr. Putnam was the third secretary of the National Association of Insurance Agents starting in 1904 and was head of its executive office for some years then in Boston. R. S. Brannen of Denver was the first secretary and started the wheels moving. F. F. Holmes of Chicago, followed him for a year or so. Then Mr. Putnam, who was editor of the "Journal of Insurance Economics," a newspaper correspondent and formerly one of the editors of the "Standard" of Boston, became the secretary largely sponsored by C. H. Woodworth of Buffalo, one of the founders, a man greatly beloved and its second president, serving for two terms in 1898 and 1899. Mr. Putnam continued as secretary until 1918 when he was succeeded by the late C. S. S. Miller. Mr. Putnam had much to do with the up-building and developing of the organization in its secondary days. He established the "American Agency Bulletin" in 1903, a year before he became secretary and manager of the National Association of Insurance Agents.

administration of R. W. Hukill, Great American, as most loyal grand gander.

### McKittrick Requests Testimony

JEFFERSON CITY, MO.—Attorney-general McKittrick filed with the Missouri supreme court a request to permit the court's special commissioner, Judge S. A. Dew, to take testimony regarding bribery in the fire rate case.

Judge Dew on Monday adjourned hearings on the question of the court's jurisdiction in the matter, after asking both sides, the state and the companies, to prepare briefs covering the jurisdictional phase.

McKittrick makes the point that the compromise settlement and the existing

fire insurance rates growing out of that order are illegal because they were effected by fraud. His argument is that the question of jurisdiction cannot be separated from the question of fraud because if it is shown that bribery was used as a method of bringing about the settlement, the companies are not entitled to the existing rates or the impounded premiums that were refunded in the compromise. He also says that if hearings on the bribery phase are delayed many of the witnesses might avoid testifying.

### Name C. of C. Insurance Committee

The insurance committee of the United States Chamber of Commerce is as follows: Chairman, J. H. R. Timanus, Philadelphia, secretary Philadelphia Contributionship, who is one of the insurance directors; O. R. Beckwith, Hartford, counsel, Aetna Life group; B. M. Culver, New York, president America Fore group; L. J. Dougherty, Davenport, Ia., vice-president Occidental Life of California; Edmund Fitzgerald, Milwaukee, vice-president Northwestern Mutual Life; J. C. Harding, Chicago, western manager Springfield Fire & Marine; W. E. Keith, Los Angeles, president Cosgrove & Co.; L. A. Lincoln, New York, president Metropolitan Life; J. S. Myrick, New York, manager Mutual Life; Julian Price, Greensboro, N. C., president Jefferson Standard Life; J. L. Train, Utica, N. Y., president Utica Mutual; J. L. Wilds, Chicago, president Protection Mutual Fire; and W. D. Winter, New York, president Atlantic Mutual Marine.

### Insurance Women of New Jersey

The annual meeting of the Insurance Women of New Jersey was held at Newark. The following officers were elected: Ada V. Doyle, Doyle agency, Caldwell, president; Ruth L. Barter, Verona, vice-president; Beatrice L. Caldwell, special agent, Franklin Fire, treasurer; Mary E. Gougherty, Milano Lawrie Agency, Morristown, secretary.

On behalf of the members Esther Halprin of Newark presented to the retiring president, Mrs. Cristine B. Nolan, a handsome onyx clock. Mrs. Nolan was responsible for the formation of the association and has been the president since its inception, Feb. 7, 1938.

## Advertising Men in Annual Convention

**Gathering of the Clams Monday and Tuesday at Boston**

The Insurance Advertising Conference at its annual meeting at the Statler Hotel in Boston next week will have the opportunity of mingling with the officials and members of the National Association of Insurance Agents, meeting in the same hotel the same week. R. C. Dreher of the Boston and Old Colony is president of the advertising conference. Its deliberations will begin Sunday evening when there will be an executive committee meeting followed by an informal discussion for members. The conference proper will start Monday morning with a group meeting the theme being "Tomorrow's Insurance Advertising & Sales Promotion."

At the luncheon Kenneth Collins, assistant general manager of New York "Times," will speak on "Advertising and Selling Insurance Under Present Conditions." At the group meeting following direct mail advertising will be discussed. At the banquet in the evening the speaker will be Raymond Moley, contributing editor of "News Week," and professor of public law at Columbia University.

On Tuesday morning will be the election of officers with a group meeting. At the luncheon K. R. Dyke, director of national sales promotion for the National Broadcasting Company, will speak. In the afternoon there will be a group meeting at which insurance papers will be discussed by Don Clark of the "Local Agent"; Jerome Van Wiseman of the "American Agency Bulletin," and Clifford DePuy of "Underwriters Review."

Among the discussion leaders will be F. S. Dauwalter, assistant manager of the National Board, and C. R. Marshall of Mathes Advertising Agency.

### Momsen Pleads Not Guilty in Mail Fraud Case

MIWAUKEE—J. B. Momsen, for several years president of Associated Adjusters, Inc., pleaded not guilty when arraigned in Federal court on an indictment of 39 counts charging use of the mails to defraud. His trial was set for Nov. 21.

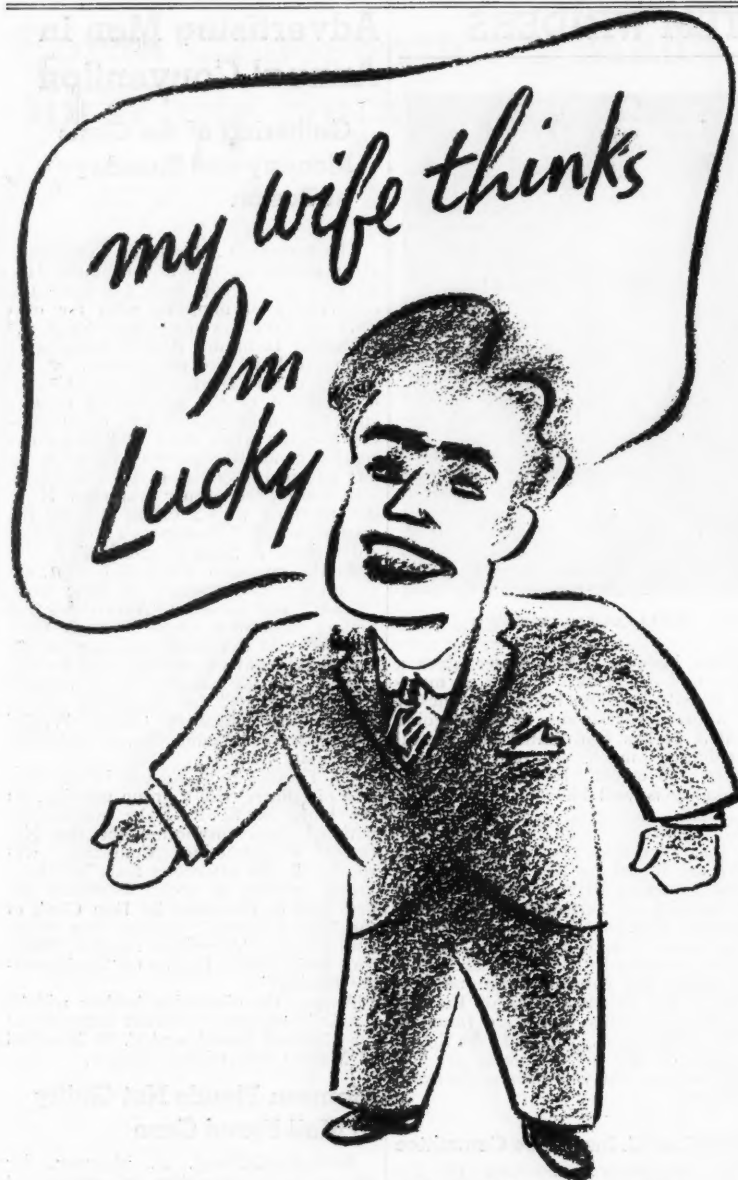
It is alleged that Momsen offered in advertisements to find lucrative jobs as insurance adjusters for unemployed. About 60,000 persons in all parts of the country are said to have paid fees ranging from \$2.50 to \$5 in answering.

According to federal attorneys, Associated Adjusters received approximately \$300,000 between March 1, 1936, and July 1, 1938. There were more than 5,000 complaints of people who paid money and got no jobs.

One of Momsen's early associates in this and other job fee enterprises was W. J. Cressy, who last January was sentenced to five years in the federal prison on conviction of using the mails to defraud.

### War Risk, Vandalism Forms Approved in Canada

TORONTO—The Canadian Underwriters Association has authorized war risk and bombardment insurance and as a separate cover protection against malicious damage by secret agents of foreign governments. It is understood that both coverages are written under contracts similar to those recently published by the Explosion Conference in New York for American risks. Eastern Canada is divided into two territories for rating purposes, the higher rated zone taking in the province of Quebec from Quebec City east, and the remainder of the province and the entire province of Ontario taking a lower rate.



*Whenever I come home and tell the little woman that I landed Bill Smith's automobile fleet or Tom Brown's fire insurance on his factory, she says I'm lucky. She doesn't know that it is merely taking advantage of the information shown on the Phoenix-London Visible Business Record. Maybe it is a combination of luck and knowledge of where to find business. If you haven't tried it yet, you really ought to—it's great. I use their Rate Chart all of the time, too—didn't you get one?*

#### FIRE COMPANIES

Phoenix Assurance Co., Ltd.  
Imperial Assurance Company  
Columbia Insurance Company  
United Firemen's Insurance Co.

The Union Marine & General Insurance Co., Ltd.

#### CASUALTY COMPANIES

London Guarantee & Accident Co., Ltd.  
Phoenix Indemnity Company

# PHOENIX-LONDON

## G R O U P

55 FIFTH AVENUE, NEW YORK CITY · DEPT. N

I want to make a good impression at home, too, so how can I get the Visible Business Record and a Rate Chart?

NAME .....

ADDRESS .....

## New Mexico Agents Choose Seligman as New President

**Boyce, Stoll and Stroub — Provide Highlights at Annual Convention**

#### NEW OFFICERS ELECTED

President — Thornton Seligman, Albuquerque.  
Vice-president — Paul Rubincan, Albuquerque.  
Secretary-treasurer — Frank Martin, Albuquerque.  
National Councillor — Postelle Cooper, Deming.

ALBUQUERQUE—Although one of the youngest organizations in the country, the New Mexico Association of Insurance Agents gave evidence at its sixth annual convention that it is rapidly becoming one of the most active. About 125 were in attendance. Howell Earnest, retiring president, presided.

Call to order was made by Postelle Cooper, national councillor. He exhorted the members not to minimize the importance of their organization. He recounted the benefits derived from the National Association and said they should be loyal and do their part as it needs to be active both from an educational and legislative viewpoint.

The address of welcome was given by Paul Rubincan, Albuquerque. The response was given by G. A. Fleming, Las Vegas, who said the organization looks to the agents to place the business of insurance on a higher plane.

In a short but effective talk Superintendent Apodaca said that his office will see that the funds of insurance companies operating in New Mexico are invested judiciously, that policyholders and third party claimants are equitably treated, and that agents of companies within the state act consistently in the public interest.

#### Boyce Gives Inspiring Talk

The first address was given by J. K. Boyce, executive committee member National Association of Insurance Agents. His talk was constructive and inspiring.

Mr. Boyce said that no other production system of insurance has yet been devised that would even approach the American Agency System from the standpoint of service, cost of production and accessibility. Tracing the history of the system and also the growth and accomplishments of the National association, he emphasized that by far the largest percentage of fire, casualty and surety insurance protection sold in the United States comes from establishments owned and operated by local agents. He urged unequivocal support of the National association as a means of preserving and furthering the American agency system.

#### Stoll Discusses Inland Marine

The second highlight address of the morning was given by H. C. Stoll, manager Inland Marine department Millers National, Chicago.

Mr. Stoll was followed by H. F. Evans, president, Mountain States Casualty Association. He made a hit with the audience with the many humorous incidents he related in connection with his talk.

Before adjourning for lunch, the following committees were appointed: Constitution and by-laws, George An-

derman, chairman, Harold Scofield, Ray McCanna, Ben Sherman, Warren Hamilton; nominating, Postelle Cooper, chairman, J. D. Phillips, L. C. Fruenthal, Anita Cunningham; resolutions, Lela Vansickle, William Sganzi, Charles O'Hara, Mrs. T. Y. Barnes, George Alter; auditing, Ray Stamm, chairman, John Long, Mrs. Edna Dean, Alice Walsh, George Bryan.

The entire convention was the guest of The Home for luncheon.

#### Stroub Is Speaker

The main address of the afternoon was given by G. R. Stroub, secretary Home.

Mr. Stroub, in discussing "The Value of Agency Organization," said that organization does not call for the elimination or limitation of individuality or individual effort. It simply defines rules of the game without which the game, in the larger sense, could not be played. It should mean more competition, but a finer, keener and cleaner competition.

"My own experience has convinced me that it is generally safe to say that the best agents and the best companies will not only be members of their respective organizations, but leaders in them as well, for the business cannot remain permanently progressive without organization."

At the business session various ways of increasing membership were discussed. The conference committee discussed the new qualification bill and suggested that the National association be used as a model. Automobile financing was discussed, and copies of the New Jersey laws were distributed for study.

Friday afternoon a ladies tea was held and in the evening a dinner dance was given at Casa Manana, the historic showplace in Old Albuquerque.

Howell Earnest of Santa Fe, in his presidential address, expressed regret that the qualification bill that was sponsored by the association, was defeated. The opposition came not from the companies but from some individual interests in the agency business, he declared. A conference committee was appointed following defeat of the bill consisting of Willis Ford, C. A. Bishop and G. A. Fleming. Mr. Earnest said that he was questioned at some of the legislative hearings on what percentage of the agents are represented in the association. In order to be influential, the association must embrace agents writing 75 to 80 per cent of the business, he declared.

## New Wisconsin Commissioner Takes Office

Morvin Duel, of Fond du Lac, former Wisconsin state senator, has now taken office as insurance commissioner of his state. Mr. Duel is a Republican and has been a floor leader of the Heil administration during the legislative session, now at an end.

Mr. Duel is 51 years of age. He was born in Fond du Lac county and was graduated from the Oshkosh State Teachers College.

He taught school for five years and then became county superintendent of schools in Winnebago county. After six years he retired to engage in the insurance and real estate business. He has represented Northwestern Mutual Life and several fire and casualty companies.

Mr. Duel takes the place of H. J. Mortensen, who was the only commissioner in Wisconsin to serve two terms. Mr. Mortensen's term expired last June 30, but he has been holding over pending appointment of a successor. Mr. Duel's term expires June 30, 1943.

The E. L. Pulver insurance agency, Anamosa, Ia., has moved to new quarters down town, locating at 103 S. Booth street. The agency represents the John Hancock Mutual Life Insurance company, Sun, Miller's National, Commercial Casualty, Continental Casualty and other companies.



# "My fur coat — stolen!"

The alert agent is now selling Fur insurance. This and the many other Inland Marine coverages can help increase your premium income.



## America Fore Insurance

THE CONTINENTAL INSURANCE COMPANY  
FIDELITY-PHENIX FIRE INSURANCE COMPANY  
AMERICAN EAGLE FIRE INSURANCE COMPANY  
FIRST AMERICAN FIRE INSURANCE COMPANY

Eighty Maiden Lane,



## and Indemnity Group

NIAGARA FIRE INSURANCE COMPANY  
MARYLAND INSURANCE COMPANY OF DELAWARE  
THE FIDELITY AND CASUALTY COMPANY

BERNARD M. CULVER, President  
FRANK A. CHRISTENSEN, Vice-President

New York, N.Y.

NEW YORK

CHICAGO

SAN FRANCISCO

ATLANTA

DALLAS

MONTREAL

## Boteler President of Mutual Agents

BUFFALO, N. Y.—At the annual meeting here of the National Association of Mutual Insurance Agents, C. M. Boteler, Washington, D. C., was elected president. Other officers chosen were: T. F. McManus, Buffalo; Floyd Craft, Greenboro, N. C., and William Goodwin, Salem, Va., vice-presidents; E. I. Oakes, Washington, secretary-treasurer (reelected).

These directors were elected for five-year terms: Mr. Boteler, George Edwards, Montgomery, Ala.; Mr. McManus, Mortimer Mehling, Cleveland; K. G. Potter, Waynesboro, Pa., and F. E. Reuning, Bristol, Va., retiring president. Mr. Goodwin was named a director for four years.

Philip Baldwin of Cleveland was appointed executive secretary by the directors. He was associated with the Cleveland Better Business Bureau and with Northwestern Mutual Life in Washington.

More than 550 delegates registered. On the speaking program were A. V. Gruhn, American Mutual Alliance, Chicago, and Superintendent Pink of New York.

First steps were taken toward organi-

zation of a New York state association. A group of New York delegates elected Mr. McManus temporary chairman and William Billings, Niagara Falls, temporary secretary, and empowered them to appoint a committee to formulate the organization plan.

T. L. Osborn, Jr., Chicago, inland marine manager National Retailers Mutual, declared that a working knowledge of inland marine insurance is essential for agents and brokers today to protect their business, if for no other reason. Many a line has been lost because the agent failed to take advantage of marine facilities at his disposal. Inland marine insurance gives every agent an opportunity to make up for the drop in fire insurance premiums caused by reduction of rates and smaller inventories and the relative simplicity of most inland marine forms in comparison to fire and casualty policies makes the line easy to master, once the agent forgets his fear of the inland marine business long enough to give it some study.

Mr. Osborn, who is chairman of the underwriters committee of the Mutual Marine Conference, said that mutual inland marine policies are the broadest on that market, that the 35 member companies of the conference are progressive and anxious to cooperate with their producers and that they have outstanding world wide adjustment service. Care-

ful selection of risks and dividend returns cut the net cost of mutual marine policies, Mr. Osborn declared. For getting business, he suggested that agents keep in touch with furriers, jewelers, art dealers and similar merchants who will invariably supply good leads, follow local news items, especially regarding engagements, weddings and trips, follow hobby shows, art exhibits and photographic displays, and, most important of all, study their present clientele for marine leads. He listed 24 inland marine leads which he had obtained in about half an hour by checking 68 automobile daily reports in his home office files. These included a science teacher, traveling auditor, jeweler, office equipment dealer, foundry owner, contractor, photographer, doctor, electrical dealer and undertaker.

While the stock companies during the first six months of 1939, Mr. Osborn said, reported either slight losses or gains not exceeding 10 percent in inland marine premiums over the first six months of 1938, members of the Mutual Marine Conference during the same period reported average gains of over 40 percent.

H. B. Edwards of New Orleans, state agent of the Home of New York in Louisiana, is critically ill in the Baptist Hospital in New Orleans.

## Important Hearing on Acquisition Cost Before Palmer

SPRINGFIELD, ILL.—Director of Insurance Palmer held an important hearing Wednesday, starting in the morning and reconvening in the afternoon. This took on an important aspect because the insurance department had assembled much material from the questionnaire it sent out to companies and broker members of the Chicago Board. The Chicago Board and the Illinois Inspection Bureau were represented. At the conclusion of the hearing on arguments held on both sides, the department took the matter under advisement for a decision which is expected to be given within the next week or so. Director Palmer stated that whatever decision was reached, as little disturbance will be made to the offices as possible. For this reason any ruling will not take effect until a date sufficiently far in the future to bring about any desirable readjustment.

There were present representatives of the different classes of membership of the Chicago Board. The Insurance Brokers Association had representatives present. Mr. Palmer made a number of suggestions endeavoring to bring about a harmonious solution in the difficult issue of acquisition cost.

## Move Los Angeles Offices of California Department

The Southern California offices of the insurance department were moved from the State Building to the eighth floor of the Pacific Finance Building, 621 South Hope street, the new location being in the insurance district.

Private offices are provided for Commissioner Caminetti, Chief Assistant Commissioner E. P. Fay, Assistant Insurance Commissioner H. F. Risbrough, Administrative Assistant Donald Luckham, Chief Examiner William Schlieff and S. P. Greene.

## Correction on Royal Surplus

In the figures showing semi-annual statements sent the Georgia department a mistake was made as to the surplus of the Royal. The correct figure is \$9,604,316.

## Doddington with Excelsior

The Excelsior announces the appointment of John H. Doddington, 126 Beethoven avenue, Waban, Mass., as special agent of this company succeeding A. H. Stafford. Mr. Doddington has had considerable experience, having served in the agency of Dewick & Flanders, Boston, in charge of the direct and brokerage department; as special agent and staff adjuster of the Automobile, and later in the casualty field.

## Calhoun Will Officiate

At the closing session of the National Association of Insurance Agents annual meeting at Boston, Thursday afternoon of next week, W. B. Calhoun of Milwaukee, past president National Association of Insurance Agents, will be the special installing officer to induct the new officials into their position. Insurance Commissioner C. F. J. Harrington of Massachusetts will administer the oath of office.

## No Change in Wheat Program

It is believed there will be no change so far as the CCC is concerned regarding sealed wheat on which the government has made loans. As already noted, there was a reduction in the rates on corn. There is not very much field wheat. Corn is by far the greatest product on which loans are made.

**American Equitable Assurance Company of New York**  
Organized 1918 Capital \$1,000,000.00

**Globe & Republic Insurance Company of America**  
Philadelphia, Pa. Capital \$1,000,000.00 Established 1862

**Knickerbocker Insurance Company of New York**  
Organized 1913 Capital \$1,000,000.00

**Merchants and Manufacturers Insurance Company of New York**  
Organized 1849 Capital \$1,000,000.00

**New York Fire Insurance Company**  
Incorporated 1832 Capital \$1,000,000.00

**United States Fire Department**  
**Switzerland General Insurance Company, Ltd.**  
Zurich, Switzerland Established 1869



Losses paid exceed  
Two Hundred and Fifty Million Dollars

DEPARTMENTS:

CHICAGO

SAN FRANCISCO  
KANSAS CITY

PHILADELPHIA  
MONTREAL

PITTSBURGH

**Corroon & Reynolds**  
Incorporated  
INSURANCE UNDERWRITERS  
MANAGER

92 William Street

New York



# NORWICH UNION

**RELIABILITY**  
based on a record  
of satisfactory service  
to agents  
and policyholders

## **NORWICH UNION FIRE INSURANCE SOCIETY, LTD.**

*Hart Darlington, Manager*

## **Eagle Fire Company of NEW YORK**

*Incorporated 1806*

*Hart Darlington, President*

*The Oldest New York Insurance Company*

## **NORWICH UNION INDEMNITY COMPANY**

*Hart Darlington, President*

**75 Maiden Lane, New York**

*In NORWICH UNION there is strength*

# COMPANIES

## Comment Made on Insurance Stocks by Investment Firm

Mackubin, Legg & Co., investment house at Baltimore, comments on the effect of war on fire and casualty insurance shares. Its conclusions are:

"No reason is apparent why investors in fire and casualty insurance stocks should fear now, any more than in 1914, the possibility of catastrophic losses precipitated by the activities of war. Damages resulting from the action of belligerents are seldom covered by the customary fire or casualty insurance policy, except when war risk insurance is specifically written (largely confined to ocean marine risks), for an additional premium which may fluctuate from day to day to reflect the prevailing hazards of war. And unlike life insurance contracts, which usually are incontestable after a period of two years, practically all fire and casualty insurance policies can be cancelled upon maximum notice of ten days. In the event the effects of war produce losses now unforeseen—and which did not occur in the 1914-1918 conflict—policy forms could be revised to exclude extraordinary hazards, or higher rates could be charged for protection against war risks.

### Investment Outlook

"There seems equally little basis for fear that the investment portfolios of most fire and casualty companies will suffer any heavy depreciation as a consequence of declining bond prices, for again unlike the life insurance companies, the fire and casualty units have avoided investment in the low-coupon, long-term refunding bonds issued in recent years. On the contrary, the fire and casualty insurance companies as a group are currently in possession of larger cash balances, and heavier investments in short and medium-term bonds, than at perhaps any time in the past. This liquidity will not only protect investment portfolios against excessive depreciation in bond values, but will permit such companies to profitably capitalize improving investment opportunities to buy reasonably-priced, soundly-situated equities, or make additional investments in bonds on a better yield basis as prices decline.

"Many of the bonds owned by fire and casualty insurance companies are akin to common stocks in that market values are sensitive to fluctuations in the business cycle. Bonds of this type have enjoyed sharp price appreciation during the last two weeks, advancing with common stocks while higher-grade obligations declined, and the capital gains accruing from such bonds and common stocks have added materially to liquidating values since the outbreak of hostilities. The 'leverage' applicable to insurance stocks assumes added importance in a period of wide price changes, especially in connection with the casualty stocks where leverage is particularly substantial. Thus, by actual example, the stock of 'Company X' sells at around \$31 per share. With half of the total assets which are actually available for investment represented by cash and bonds due in less than ten years (two-thirds of the latter due in less than five years), Company X is obviously protected against any very drastic depreciation in the bond portfolio. Superficially, however, with only 12½ percent of the assets available for investment committed in common stocks, the possibilities for dynamic capital gains may appear somewhat limited unless a portion of the present large cash holdings are diverted into more volatile investments.

### Illustration is Used

"Company X, however, carries certain large legal reserves requisite in the operations of that type of company. The funds representing these reserves are available for investment in addition to the company's own capital and surplus,

(CONTINUED ON LAST PAGE)

## INSURANCE ADVERTISING CONFERENCE LEADERS



C. W. SMITHEMAN

The Insurance Advertising Conference in holding its meeting next Monday and Tuesday at the Statler Hotel along with the activities of the National Association of Insurance Agents will bring to Boston some of the lead-



R. C. DREHER

ing insurance advertising men of the country. R. C. Dreher, head of the advertising department of the Boston and Old Colony, is president of the conference and will be in charge of the business sessions. C. W. Smitheman,



JARVIS WOLVERTON MASON

advertising and production manager of the Camden Fire, is chairman of the fire group session. Jarvis Wolverton Mason, manager advertising department of the National Fire of Hartford, will be one of the discussion leaders.

### Bricker, Stark Headliners at Mutual Convention

At the meeting of the National Association of Mutual Insurance Companies at the Stevens Hotel in Chicago next week, Governor Bricker of Ohio and Governor Stark of Missouri will be headliners on the program. Senator Joseph O'Mahoney of Wyoming, chairman temporary national economic committee, will attend if its possible for him to get away from Washington, D. C. Among other notables on the program are Capt. Edward Stone of the Farm Securities Administration; R. M. Evans, administrator of the AAA, and Merle Thorp, editor of "Nation's Business."

### Illinois Rule Violated

Director Palmer of Illinois has notified companies writing fire or automobile fire, theft, collision, public liability and property damage that it has come to his attention that some companies have written and are writing large lines of a so-called retrospective rating plan. He states that "the use of such method of arriving at final premiums is a direct violation of rate filings."

### Many Stop Off in New York

NEW YORK—Already a number of prominent leaders in the National Association of Insurance Agents have arrived here enroute to Boston. The executive committee will meet Saturday. Allan I. Wolc of Chicago, former president, arrived early this week as did also Payne H. Midyette of Tallahassee, Fla., member of the executive committee. W. H. Menn of Los Angeles, president, and Sidney O. Smith of Gainesville, Ga., chairman of the executive committee, arrived Wednesday. W. Owen Wilson of Richmond, former president, also arrived the middle of the week.

### Ersine on the Mend

J. D. Ersine, New York, secretary Insurance Executives Association, is recovering from an attack of pneumonia which confined him to the hospital at West Hampton Beach, Long Island, for the past several weeks.

### New Cotton Form Adopted

DENVER—The managing committee of the Mountain States Inspection Bureau has approved for use in this territory the standard form for compress-

for warehouse cotton under insured receipts, Form No. 16A of the South-eastern Underwriters Association. The form has been accepted by the Commodity Credit Corporation and other lending agencies having an interest in storage cotton.

The form was used in this territory for one year at a previous time but had been superseded by a special cotton form issued by the Mountain States Inspection Bureau, which was in all major respects similar to the form of the S. E. U. A. It is understood that the present form has been adopted as the standard for all cotton writing territories except Texas, where a separate, though similar form is in use.

### CONVENTION DATES

Oct. 1-3—Insurance Advertising Conference, Statler Hotel, Boston.

Oct. 2-4—Convention of Mutual Company Organizations, Stevens Hotel, Chicago.

Oct. 2-5—National Association of Insurance Agents, Statler Hotel, Boston.

Oct. 9-12—Annual Casualty Convention, Greenbrier Hotel, White Sulphur Springs, W. Va.

Oct. 10—New Hampshire Agents, Carpenter Hotel, Manchester.

Oct. 13-14—Insurance Federation of New York, Hotel Arlington, Binghamton.

Oct. 16-18—Ohio Agents, Biltmore Hotel, Dayton.

Oct. 17-18—Western Insurance Bureau, Shelburne Hotel, Atlantic City.

Oct. 18—Maine Agents, Elmwood Hotel, Waterville.

Oct. 18-20—Kansas Agents, Jayhawk Hotel, Topeka.

Oct. 19-20—Ontario Agents, Royal York Hotel, Toronto.

Oct. 19-20—Wisconsin Agents, Hotel Wausau, Wausau.

Oct. 19-20—Tennessee Agents, Hotel Hermitage, Nashville.

Oct. 19-21—Maryland Agents, Carvel Hall, Annapolis.

Oct. 23-24—Missouri Agents, Elms Hotel, Excelsior Springs.

Oct. 25—South Dakota Agents, Huron.

Nov. 3-4—Oklahoma Agents (midyear), Oklahoma City.

Nov. 8-9—Illinois Agents, Abraham Lincoln Hotel, Springfield.

Nov. 9-10—Indiana Agents, Indianapolis Athletic Club, Indianapolis.

Nov. 13-15—Southeastern Underwriters Association, Carolina Hotel, Pinehurst, N. C.

Nov. 13-15—California Agents, Hotel Oakland, Oakland.

Dec. 2—Nebraska Agents (semi-annual), Norfolk.

Dec. 6-9—Insurance Commissioners, Edgewater Gulf Hotel, Edgewater Park, Miss.

### Sponsor Insurance Lectures for N. J. Credit Men

The New Jersey Association of Underwriters in cooperation with the joint committee of the New Jersey Association of Credit Men and the Essex County Board, has arranged a series of six lectures to give information to credit men on various forms of insurance. They are as follows: Oct. 2, Julius Klein of Rosenthal & Klein, Newark, "Fire Insurance"; Oct. 16, H. L. Brooks, president, "Essex County Insurance"; Oct. 30, D. Blake Lumpkin, president Surety Underwriters' Association of New Jersey, "Fidelity and Surety Bonds"; Nov. 13, R. J. Crocker, secretary, Schlesinger-Heller Agency, Newark, "Inland Marine Insurance"; Nov. 27, H. C. Lawrence, president, New Jersey State Association of Life Underwriters, "Life Insurance"; Dec. 11, C. N. Sharpe, resident manager, American Credit Indemnity, "Credit Insurance."

M. H. Espenschied has purchased the Shepherd Insurance Agency at Sugar Creek, O.

### Danville Local Agent Shot in His Office

A tragedy occurred last Friday in the Phillips & Espenschied agency at Danville, Ill. S. F. Phillips, the head of the agency, was also president of the Danville Building & Loan Association. The association had found it necessary to start foreclosure proceedings on some property on which a loan of \$1,500 had been made. Mrs. Sarah Lester, whose husband was employed by the WPA and who owned the mortgaged property, appeared at agency and asked to see Mr. Phillips. She pulled a revolver immediately and shot him in the eye. He was taken to the hospital but died within a short time. The funeral was held Sunday. Mr. Phillips was 63 years of age. H. F. Espenschied, his partner, had returned home from a visit to his son's ranch in Wyoming where he was accompanied by E. E. Parker, state agent of the National Fire.



# AN UNEMPLOYMENT FACT

*That Can't Be Disputed*

**D**URING THE NEXT MONTH A MILLION people, many of them professional, business and high salaried men, will be temporarily laid off by being laid up with accidental injuries. Twelve million a year—no matter how good or how bad business may be.

And every accident means a little or big depression for the victim unless he's insured.

If you've sold him or her a Travelers Modern Accident Contract you know they have the finest policy available. This protection is furnished in any amount to fit the needs of the policyholder and is priced accordingly.

The Travelers is always ready to offer producers new and better ways of soliciting prospects for Accident insurance. Why not talk to one of our Managers about how you can build up a profitable Accident account.

**THE TRAVELERS INSURANCE COMPANY**  
HARTFORD, CONNECTICUT

## EDITORIAL COMMENT

### Example of Sentiment in Business

FREQUENTLY the asperities of competition, the brusque and merciless treatment sometimes accorded others are relieved now and then by some very gracious and general gesture on part of a corporation, a business or a trade association that convinces us that after all there is a rich vein of sentiment beneath the harsher surface of daily activities.

For example, at the 60th anniversary meeting of the WESTERN UNDERWRITERS ASSOCIATION, which in its broader aspects was one in which the members alone were more interested than anyone else, yet the other organization in the central west, the WESTERN INSURANCE BUREAU, a rival in many respects it may be called, was not overlooked. H. A. CLARK, western manager of the FIREMEN'S, who is president of the WESTERN INSURANCE BUREAU, and F. C. SCHAD, secretary, were in-

vited to go to White Sulphur Springs to be the guests of the WESTERN UNDERWRITERS ASSOCIATION and be present at the opening exercises when President S. M. BUCK read his address and gave the historical sketch. This was an open meeting for all guests. President BUCK called attention to the presence of President CLARK and as he arose he was greeted with a cordial outburst of applause. It was a splendid expression of friendship in business.

It is episodes of this kind that bring into life a mellower and more sympathetic understanding. These are the memories that will be treasured and talked about. They, after all, constitute the realities and the substance. As we journey along the common old road we are inspired and edified by the fragrance and beauty of flowers.

### Claim Department and Salesmanship

WE ARE inclined to look upon the claim men as prosaic, those who are constantly coming in contact with trouble, and we do not appreciate their service and value in connection with selling. Those who listened to Secretary L. K. BABCOCK of the casualty liability claim division of the Aetna Life companies at the life agents' meeting, and who came under the spell of his eloquent and impressive personality could but feel that the claim department in many ways is the most important department of a company.

In fact, the function of an insurance company is to pay losses. Mr. BABCOCK brought out very clearly the fact that good will is essential to the healthy and substantial growth of a company. It is not found among its assets. Yet without good will the assets would soon dwindle. It is not only necessary to pay claims but it is highly necessary for a claim department to establish the right way of settling claims. That builds good will. Often we find that a claimant has finally secured from the adjuster what the for-

mer desired and for which he contended. Yet the adjustment has been done in such a sorry way that the claimant becomes sour and hostile. He is lost to the company as a customer.

There are companies that are alike in many respects and yet they may differ in their claim service. When an agent sells a policy he should be able to sell the highest form of claim service. He should feel that his policyholders, if they have a claim will be treated sympathetically, conscientiously and politely. An adjuster can go the whole course if he is dealing with an honest man. If he finds that a claimant is imposing on a company, that is a different story. Most claimants do not desire to gouge.

The building of good will, Mr. BABCOCK brought out, is one of the essential factors of a claim department. Not only should the claim department try to save business for the agent and company, but to be able to add more to it by creating satisfied claimants who are, after all, the best advertisers of a company in a community.

### Making One's Service Valuable

MANY companies are giving more and more thought to the selection and training of field men and those pursuing that particular line of insurance activity appreciate the fact that they should be able to render a specialized service of some sort to agents. A top executive of a group which comprises both fire,

marine and casualty companies, is quite proud of the fact that some of his field men have studied all branches of the business which the group writes. These men primarily were fire insurance field men. However, by study, observation and hard work they have become accomplished in casualty and surety lines.

While they may not be called experts in the latter yet they are in a position to render excellent service to agents in any of these lines. Such a man is a help to the agents on whom he calls. Other field men become more or less expert in other directions so that when

an agency is visited the organization realizes that someone has arrived that can give constructive service and be of real help. It would pay every field man to become adept on some one special part of the business. It is essential to the progress of all.

## PERSONAL SIDE OF THE BUSINESS

Mr. and Mrs. James B. Cullison, Jr. are celebrating their thirtieth wedding anniversary Thursday of this week, by keeping open house to their friends during the hours 2 to 4 and 6 to 8 in the afternoon and evening. Mr. and Mrs. Cullison were married in Oklahoma where they resided for a few years, then they removed to Minneapolis for a period of four years, and in 1920 went to Chicago. They now reside at 1021 Hull Terrace in Evanston, Ill.

Mr. Cullison is manager of the Rain & Hail Department for the Aetna, North America, Springfield and subsidiary companies in the United States and Canada.

H. M. Shell, local agent of Battle Creek, Mich., and Mrs. Shell are celebrating their 25th wedding anniversary Oct. 1.

Mrs. R. W. Newell, widow of the late R. W. Newell, who was a chief partner in the Newell & Cunningham agency at Little Rock prior to his death in February, died Wednesday, being taken to a hospital from injuries suffered when the automobile in which she was riding with Mrs. J. Gilbert Leigh went over an embankment at the foot of Petit Jean Mountain, near Morrilton, Ark. Mrs. Leigh was the widow of the late president of L. B. Leigh & Co., another general agency in Little Rock. Mrs. Leigh's death was previously reported.

George Cowton of Grand Island, Neb., former president of the Nebraska Association of Insurance Agents, has completed 20 years of continuous weekly life production with the Equitable Society. He joined the company in 1910. In September, 1919, he pledged to write at least one completed application each week and, therefore, this month he celebrated 20 years of consecutive weekly production. During a campaign a few years ago he wrote 75 applications in 75 days. Another time he wrote 122 applications for \$201,000 with premiums of \$5,600, breaking a record for number of applications written in one day. He celebrated his 25th business anniversary in June, 1935, by writing 25 applications in 25 days. He has paid for as much as \$585,859 in volume in a single year and as many as 172 cases.

L. S. Gregory, assistant vice-president Fireman's Fund, who attended the convention of the New Mexico Association of Insurance Agents last week in company with Philip F. Kingsley, state agent, is spending this week in Denver, accompanied by Mrs. Kingsley.

At the annual convention of the American Legion in Chicago this week there are two prominent insurance executives who were former national commanders. They took a prominent part in this year's deliberations. The two men are F. N. Belgrano, Jr. of San Francisco, president Pacific National Fire, and Ray Murphy, New York City,

assistant general manager of the Association of Casualty & Surety Executives, formerly Iowa insurance commissioner. Mr. Murphy is chairman of the American Legion foreign relations committee.

W. H. Jennings, Jr., of Rockford, Ill., president Illinois Association of Insurance Agents, and his wife, will start the first leg of their trip to the Boston convention of the National Association of Insurance Agents this week end in the middle of the night. They plan to leave Rockford about midnight Friday, drive to Chicago where they will pick up Lillian L. Herring, secretary Illinois Insurance Federation about 3 a. m., and proceed thence to Detroit. There they will put their car on board a boat to make the trip to Buffalo and upon arrival will resume the highway to Boston.

W. C. Conley, Jr., actuary of the Michigan department, has been given the additional duties of second deputy commissioner. He succeeds in the second deputy's post L. H. Sanford, who has resigned to become head of the accounting division of the newly organized Mid-America Insurance Company, Detroit automobile carrier with finance company connections. The company was founded a few weeks ago by C. M. Verbiest, a former associate of D. F. Broderick, who has been forming a fleet around the nucleus of the Dearborn National Fire of Detroit.

The new second deputy commissioner came to the department's actuarial division in the summer of 1935 from the Central Life of Des Moines, with which he had been connected since leaving the University of Michigan where he earned a master's degree in actuarial science.

As originator of the plan for preserving and restoring the old architectural homes of Nantucket, Mass., E. U. Crosby, of the Philadelphia-New York brokerage firm of Bown, Crosby & Co., was elected an honorary member of the American Institute of Architects at the annual gathering in Washington Monday. Son of the late U. C. Crosby, formerly United States manager of the Royal Exchange, E. U. Crosby was for a time general agent for the North British & Mercantile under the late E. G. Richards, resigning years ago to enter the brokerage field in which he has been eminently successful.

## DEATHS

C. F. Simonson, 80, who died the other day at his home in Chicago, will be remembered by the old timers as the first man in the west who attempted to devise rating schedules. He was the fore-runner of the Dean system although his plan had no connection with the analytic



## THE NATIONAL UNDERWRITER

Published by THE NATIONAL UNDERWRITER CO., Chicago, Cincinnati, New York. PUBLICATION OFFICE, 175 W. Jackson Blvd., CHICAGO. Telephone Wabash 2704

EDITORIAL DEPT.: C. M. Cartwright, Managing Editor. Levering Cartwright, Assistant Managing Editor. News Editors: F. A. Post, C. D. Spencer. Associate Editors: D. R. Schilling, J. C. O'Connor, H. E. Green, Jr.

BUSINESS DEPT.: John F. Wohlgenuth, President. H. J. Burridge, Vice-President and Secretary. Roeding, O. E. Schwartz.

CINCINNATI OFFICE—420 E. Fourth St. Tel. Parkway 2140. L. H. Martin, Abner Thorp, Jr., and C. C. Crocker, Vice-Presidents.

NEW YORK OFFICE—123 William St., Tel. Beekman 3-3958. Editorial Dept.—G. A. Watson and R. B. Mitchell, Associate Editors. Business Dept.—N. V. Paul, Vice-Pres.; J. T. Curtin and E. H. Fredrikson, Resident Managers.

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BOSTON OFFICE—Room 522, 25 Huntington Ave., Telephone KENmore 5237. R. E. Richman, Vice-President.

Single Copies, 20 cents. In Combination with Life Insurance 1931, at Post Office at Chicago, Ill., Under Act, March 3, 1879.

PHILADELPHIA OFFICE—1127-123 S. Broad Street. Telephone Pennypacker 3706. W. J. Smyth, Resident Manager.

SAN FRANCISCO OFFICE—507-8-9 Flatiron Bldg., Tel. EXbrook 3054. F. W. Bland, Res. Mgr.; Miss A. V. Bowyer, Pacific Coast Editor.

Subscription Price \$4.00 a year in United States and Canada. Edition, \$5.50 a year. Entered as Second-class Matter April 25,



method. Some of his schedules were beyond all understanding but he pioneered in that important work. He was born Feb. 16, 1859, at Brooklyn, and was educated at the Polytechnic Institute there. In October, 1874, he entered the employ of the old Kings County Fire of Brooklyn in the bookkeeping department. He went with the Home and became inspector in its New York office. Later he was special agent in Minnesota and the Dakotas. He went with the Northern Assurance as special agent in Indiana and then became eastern agent for the Western Manufacturers Mutual of Chicago with headquarters in New York City. Later he was appointed assistant secretary of the company at Chicago. He became general inspector of the Millers National of Chicago, later secretary and manager of the Woodworkers Mutual Fire of Winona, Minn. Three years later he was appointed expert underwriter and inspector of mill and factory hazards for the Hartford Fire in its western office. He called his schedule the "Combined Woodworkers, Factory & Warehouse Schedule." He went with the governing committee of the Western Union to work out rating schedules and methods. He was the founder and at one time manager of the National Lumber Inter-insurance Exchange.

**G. F. Russell**, 59, who operated Geo. F. Russell Co., real estate and insurance agency, Milwaukee, for the last 25 years, was found dead in his apartment after he failed to report at the office. Death was from natural causes. Mr. Russell had been under treatment for a heart ailment. Mr. Russell had no connection with the well known George H. Russell Co. agency of Milwaukee.

**Charles A. Wikoff**, 71, who operated the Wikoff Insurance Agency, Columbus, O., died after a month's illness. He founded his business 40 years ago. Associated with him was a son, C. D. Wikoff. At one time Mr. Wikoff was superintendent of the Standard Accident's liability department in Detroit. He was founder and past president Columbus Exchange Club, past president Insurance Society of Columbus, and trustee of that organization; secretary-treasurer Insurance Federation of Ohio, and prominent in other groups.

**C. C. Crow**, 71, father of C. C. Crow, Jr., Wichita manager of Underwriters Adjustment, died last week following a prolonged illness. A Masonic service held at Wichita, was attended by a number of insurance people.

**G. E. Fisher**, 72, senior partner G. E. Fisher & Co., Brockton, Mass., died following several weeks illness. He was an outstanding New England producer who began his insurance career at the age of 15 with W. M. Thompson, at which time he was also a local newspaper reporter.

Mr. Fisher celebrated his 55th year in business in April, 1938.

Representative **J. P. Boyle** of the 4th district of the Illinois legislature, who died Sunday morning at his home in Chicago a few hours after suffering an acute gastric attack, was 54 years of age. He was serving his 11th consecutive term in the legislature. He was one of the active Democrats in Chicago. He was a member of the insurance firm of Boyle, Flagg & Seaman, brokers. At the time of his death he was president of the board of public improvements of Chicago. He was chairman of the Illinois house committee on appropriation and headed the Cook county steering committee.

**H. T. Halladay**, 70, connected for the past several years with the Worgess Insurance Agency at Battle Creek, Mich., died at the Battle Creek sanitarium Sept. 19 after an illness that had extended since mid-August. He was a former city alderman and had been connected with various local businesses and industries during his lifetime.

**G. E. Fisher**, senior partner in George E. Fisher & Co. of Boston, Mass., died the other day following an illness of several weeks duration. His brother, C. M. Fisher, became associated with the agency in 1907 and his oldest son, Allen E., entered the office in 1917. In 1924,

George Ellis Fisher entered the office and in 1928, D. H. Fisher.

**F. A. H. Garlich**, prominent local agent at St. Joseph, Mo., died Sunday at his home. He would have been 73 years of age next Sunday. He was associated with his son, L. W. Garlich in the insurance business which he founded in 1890. In his early days he headed the St. Joseph Drug Company, which operated four retail stores in the city. For a number of years he was manager of the St. Joseph Safety Deposit Vaults, the first of its kind in the city. He was secretary of the St. Joseph Retail Druggists Association for a number of years. He was president of the Missouri League of Building & Loan Associations for three years. He was a lifelong member of Christ Episcopal Church and was a vestryman for a number of years.

## COMPANIES

### Paramount Fire License May be Issued Eventually

NASHVILLE—Eventual licensing of Paramount Fire was indicated by Commissioner McCormack when certain conditions are met. He stated that one of the principle causes for delay is failure to furnish a written statement from the New York department satisfying Article 1, Section 82, of Baldwin's "New York Insurance Laws," which requires approval of the eastern department where more than 50 percent of the total amount of its outstanding assets is obligated by a domestic company to reinsurance at one time or during six consecutive months.

Amplification of answers to questions asked in the application is necessary also. It must be developed that Paramount Fire plans to operate only as a standard company and that no reinsurance agreement with Home Insurance Company of New York or its affiliates will be in effect in Tennessee.

The "Blue Sky" privileges of the Paramount have been withdrawn and the department has officially disapproved of any reinsurance agreement between Paramount and the Home of New York or its affiliates.

### Buffalo Pays Extra \$1 Dividend

Buffalo has declared a regular dividend of \$3 per share and an extra of \$1 payable Sept. 30 to stock of record Sept. 25.

### Pearl Surplus \$9,054,474

Net surplus of Pearl Assurance as of June 30, 1939, amounted to \$9,054,474. An error was made in taking off the figures from the midyear statement filed in Georgia and the net surplus appeared in the table that was printed last week erroneously as \$2,054,474.

### Fire Chiefs' Group Selects Tiller as New President

SAN FRANCISCO—At the closing session of the convention of the International Association of Fire Chiefs, Chief Ray Tiller, Waterloo, Iowa, was elected president; W. H. Palmer, Charlotte, N. C., first vice-president, and W. R. Williams, Fresno, Calif., second vice-president. The group voted to meet in 1940 at Spokane, Washington.

J. W. Stevens, chief fire prevention bureau National Board, was reelected executive secretary.

Saturday night a grand ball and pageant, which was sponsored by the San Francisco fire department, attracted more than 25,000 people.

**W. S. Segar**, local agent of Lawrenceville, Va., and formerly active in affairs of the Virginia Association of Insurance Agents, died. Several years ago he was chairman of the membership committee. His widow and one daughter survive.

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## NEWS OF FIELD MEN

### Morasch Promoted by Fireman's Fund

Fred H. Morasch, previously in the New Jersey field for the Fireman's Fund group, has been appointed general agent for the associated companies at their eastern department headquarters in Boston, assuming his new duties early next month. He will have immediate supervision of the newly formed business development department, created to assist local agents in securing new business.

In consequence of the transfer of Mr. Morasch to Boston, the northern New Jersey territory will be covered by Special Agents J. L. Lacher and Philemon Hoadley, working out of the Newark service office.

### Oregon Blue Goose Plans for an Active Season

PORTLAND, ORE.—The Oregon Blue Goose inaugurated in September a new activity schedule which officials expect will stimulate activity and interest of members. Regular weekly luncheons were abandoned due to inability of many field men to attend. Luncheon meetings will be held in the future on the second Monday of each month, with all business banned.

Programs will be educational, with one speech on a topic of current interest, not necessarily concerned with insurance. Dinner meetings are slated for the last Friday each month, the evening to be purely social after organization business has been disposed of.

As another innovation, an elected officer will be assigned to each committee to be responsible, although not as chairman, for its functioning. Other new activities include a pond bulletin to be published and circulated to members each month.

### Indiana Pond Stages Its Fall Golf Tournament

The fall golf tournament of the Indiana Blue Goose pond was held at the Lake Shore Country Club south of Indianapolis. Most Loyal Gander A. W. Schmadeke, Atlas, presided at the dinner that night.

Prize winners included E. Smaidginis, Home; W. R. Caskey, Travelers Fire; L. R. Swanson, South Bend, L. & L. & G.; D. S. Davis, Royal; H. B. Skelton, Rough Notes; G. W. Schmutte, Jr., Allemannia; J. J. Spitzmesser, Western Adjustment; F. J. Florack, Home, and E. T. Etzel, Home. L. G. Hines, Indiana insurance department, won the horseshoe pitching prize. Among out-of-state guests was H. W. LaRue, secretary western department of America Fore, Chicago.

A get-together party to be held at South Bend the third week in October is planned.

### Petersen Assistant Manager

C. M. Petersen, special agent of the Travelers Fire and Charter Oak Fire with headquarters at Cleveland, has been made assistant manager of the Cleveland branch.

### New Mexico Puddle Meeting

ALBUQUERQUE, N. M. — Navajo Puddle of Colorado Blue Goose met Thursday night for annual initiation ceremonies. Initiates were E. S. Cavanaugh, and Thomas Pettie of Albuquerque and Will C. Thomas of Roswell. Officers who had charge of the initiation rites were R. G. Wigely, big toad; R. T. Lawrence, pollywog; Walter R. Zener, croaker; and George M. Biel, bouncer. The meeting was preliminary to the state convention of New Mexico Association of Insurance Agents.

### Arthur Henry Joins the Eagle Star

Arthur W. Henry, Jr. becomes Michigan state agent of the Eagle Star, in succession to W. E. Collins, resigned, with headquarters in the Book building, Detroit. Following graduation from Armour Institute in 1928 Mr. Henry was connected with the Ohio Inspection Bureau for eight years, serving both in its general and sprinklered risk departments. In 1935 he joined the field staff of the North America, traveling initially out of Chicago on engineering and production assignments; later locating at Cleveland as special agent and engineer. His father is a well known local agent in the latter city.

### Fall Production Meetings Being Held in Midwest

The inland marine department of Phoenix of Hartford is holding three production meetings this week and next for its field men. All are under the direction of U. M. Lelli of Chicago, and will also be attended by G. W. Holton, vice-president, and R. E. Eblen, secretary, from the home office.

The eastern division of the western department held its meeting Tuesday and Wednesday at Columbus, O. The western section will meet Oct. 2-3 and 5-6 at The Elms, Excelsior Springs, Mo.

### Hartford Makes Changes in Midwestern Field

Three field changes have been made by the western department of Hartford Fire in Chicago. Wesley Bayley, special agent at Springfield, Ill., for some two years, has been transferred to Omaha as Nebraska special. He is succeeded at Springfield by A. C. Schilke, who for about five years has been with the Cook county branch office in the Insurance Exchange, Chicago, associated with Manager W. L. Bennett.

Roy Wheeler, son of Clem E. Wheeler of Smith & Wheeler, co-managers of the Hartford western department, goes into the Cook county department as special agent. He has been for some time with Rollins, Burdick, Hunter, class 1 agency of Chicago, and before that was with the Kansas City Fire & Marine there.

### Illinois Blue Goose Golf

J. R. Munro of Decatur, Ill., assistant Illinois state agent of the Union of Indiana, won the golf championship of the Illinois Blue Goose at the final play-off at Rock Island. His score was 87 gross and 73 net. Runners-up were R. H. Gregg, Crum & Forster; L. R. Choate, Home; T. E. Nation, Travelers Fire; G. R. Pape, Royal-L. & L. & G.; T. E. Charlton, Western Adjustment. The plaque for the winner and awards for the winners will be presented at a dinner at Springfield, Nov. 7, the night before the annual meeting of the Illinois Association of Insurance Agents. J. E. Guy, Chicago, America Fore, deputy most loyal grand gander at large, will preside.

### Weldon with America Fore

W. J. Weldon, for six years in the employ of the Kentucky Actuarial Bureau, has taken a position as a rating engineer with the America Fore western department, filling the vacancy of H. W. Montgomery, recently resigned. Mr. Weldon is a graduate of Armour Institute, fire protection engineering course.

### F. C. Hatfield, Jr., Recuperating

F. C. Hatfield, Jr., state agent in Georgia and Alabama for the Phoenix of Hartford, Connecticut Fire and Equitable F. & M., is recuperating from a

serious illness at his home, 105 Girard avenue, Hartford. Mr. Hatfield was stricken at Huntsville, Ala., July 8, but is now rapidly on his way to recovery.

### John Benson to Retire

John Benson, state agent of the New York Underwriters in Oklahoma, will retire Oct. 1, after 22 years service. C. E. Johnson, who has been associated with Mr. Benson as special agent since Jan. 1, will take charge of the territory as state agent.

### Sunflower Puddle Meets

The Sunflower Wichita puddle of the Blue Goose held its opening fall meeting, with Hugh Knisely of the North

British, big toad, presiding. Tentative plans were announced for a week-end "Stag" by G. M. Montgomery, Western Adjustment. About 15 ganders signed up for the bowling team with Jim Hern, Western Adjustment, as chairman. During the winter the team will compete in a City Bowling League. Funds were voted to support the 5th annual inter-high school fire prevention playlet writing contest sponsored by the puddle in the Wichita schools.

The Montana Blue Goose will meet Oct. 6, at Karst Camp, 35 miles south of Bozeman.

The Illinois Fire Underwriters Association will hold its quarterly meeting in the Chicago Board rooms Oct. 24, the date of the Life Members Society meeting.

## AS SEEN FROM CHICAGO

### JOYS & GLOOMS DINNER

The Joys & Glooms will hold their annual meeting at the Hotel LaSalle, Chicago, on the evening of Oct. 23, the day before the annual meeting of the Society of Life Members. A. R. Monroe of Indianapolis, formerly president of the Newark Fire, is czar and W. E. McCullough, general agent at Denver, is scribe. W. P. Robertson, general manager North America at Chicago, will be inducted into the mysteries, he having been elected last year but could not be present at the time of the meeting. The initiatory ceremonies will be in charge of C. M. Cartwright of THE NATIONAL UNDERWRITER and W. T. Benallack, Michigan F. & M.

### DEAN SCHEDULE COURSE

The course in the analytical system or Dean schedule under the auspices of the Chicago Board started Monday afternoon at 5:30. The class meets Monday nights for a period of 1½ hours in the auditorium of the Chicago Board and the fee is \$10. The course consists of a series of lectures covering the origin of schedule rating, its relation to the fire insurance business and illustrated slides of standards of construction and fire protection. The latest edition of the schedule, including supplement 14, is being used. R. A. Parker and D. P. Skaer are in charge.

### POSTPONED MEETING IS OCT. 9

American Legion festivities in Chicago prevented the local Automobile Superintendents' Club from holding its regularly scheduled meeting on Monday.

Luncheon accommodations were not available at loop hotels and a meager attendance would have been experienced because many members were taking in Legion activities.

The postponed meeting will be held at the Great Northern Hotel at noon, Oct. 9. Continued discussion of the new automobile form will take place.

### HENDRICKS IN NEW SERVICE

Allen E. Hendricks & Associates has been organized with main offices in the Insurance Exchange, Chicago, to render a nationwide fire protection engineering service to companies, agents and brokers. Branch offices will be maintained at New York, San Francisco, Cleveland, Atlanta and Birmingham.

Allen Hendricks has been with the Pearl Assurance since 1933, and now takes over its nationwide engineering department with its entire staff.

This is a new departure in fire insurance engineering service, as there is at present no similar service available to companies, agents and brokers who operate on a nationwide basis. The firm is equipped to service accounts country-wide twice a year. Last year the engineering staff traveled a total of more than 200,000 miles in the course of their service work.

After an engineering schooling Mr. Hendricks was first associated with the Protection Mutual Fire of Chicago, being in its engineering department for 12 years. Following some sprinkler com-

pany training he became engineer and special representative of the Western Sprinkled Risk Association at Chicago. He served that organization for two years and in 1930 became vice-president of the Monarch Fire at Cleveland in charge of special hazards.

Mr. Hendricks became associated with the Pearl at the United States headquarters in New York in 1933, where at first he supervised the agency development and engineering departments. During the last few years with that company he has been in charge of engineering on a nationwide basis.

### LIFE MEMBERS MEETING

Secretary W. J. Sonnen of the Society of Life Members has arranged for the annual meeting to be held in the rooms of the Hamilton Club in the LaSalle Hotel, Chicago, Oct. 24. There will be a reception at 5 p. m. followed by a dinner presided over by W. H. Lininger. The dinner and meeting will be open to all members of the Fire Underwriters Association of the Northwest whether they are life members or not. Secretary Sonnen announces that the members contributed \$479 to the relief and charity fund and \$250 has been paid out. There will be no annual dues collected this year but a voluntary subscription to the relief fund is suggested.

### LOSS RECORD COMMENT

Automobile losses have increased during the past two months, but the total still represents about a 5 percent less volume than for the eight months period of last year, the Western Adjustment reports. Fire losses are running about the same as in the like period a year ago. A severe windstorm in Joplin, Mo., district the latter part of August resulted in about 6,000 claims, the average loss running from \$30 to \$50. This is the largest number of claims on windstorm within the last year, though two years ago two such storms resulted in some 17,000 claims.

### U. S. Crop Loss \$2,619,706

As of Sept. 12, the Federal Crop Insurance Corporation had approved for payment a total of 26,045 claims for payment of indemnities totaling 5,119,772 bushels of wheat or the cash equivalent of \$2,619,706. Adjustments have virtually been completed in the winter wheat belt but many settlements are being made currently in the spring wheat areas. FCIC still has on hand about 2,000,000 bushels of wheat from 1939 premium payments.

### Vancouver Agents Elect Officers

VANCOUVER—The Vancouver Insurance Agents' Association elected A. McC. Creery, Gregory Creery & Farmer Ltd., honorary president; M. B. Rolfe, Leslie H. Wright & Co. Ltd., president, and G. W. Atherton, Atherton Realty, vice-president.

Ivan O'Leary of Denver has sold his agency there and will open one at Hobbs, N. Mex., associated with Carlton Clinton.



## Under Emphasize Hazards Created by Termites

Not enough importance is attached by fire underwriters to the hazard created by termite damage in the opinion of C. M. Stegner, member National Fire Protection Association, who stresses the fire hazard from this source in an article in the association's magazine. Although to the layman termites are simply white ants and their damage to wood is frequently mistaken for dry rot or decay, to the building official termite damage is a most serious problem and it has received but little consideration as a fire hazard. Mr. Stegner states that while termites cannot be taxed directly with incendiaryism, their contribution to building fire hazards is by no means imaginary.

Even in cases where the importance of this hazard is recognized, new dangers are often presented by the fact that fire hazard is created by the inflammable nature of fluids used by termite exterminators in treating a building for protection against these insects. Mr. Stegner points out a recent illustration of termite operations that might have caused a \$5,000,000 conflagration in a Cincinnati distillery. Because of evidence of termite infestation in adjoining buildings, the distillery was being treated with fluid by extermination experts. After the basement had been partially treated, however, fire suddenly broke out when an electric light bulb dropped to the floor and broke. Although no cause for the fire could be given at first, it was apparent after investigation that the open filament of the light bulb had ignited inflammable vapors which saturated the air in the basement after treatment with the termite fluid. Subsequent analysis of a sample of the fluid showed it contained a mixture of 85 percent kerosene or mineral spirits, which rendered it highly inflammable.

### Most Fluids Inflammable

Mr. Stegner points out that a collection of 17 samples from as many extermination operators showed them all to be flammable, whereas a diligent search of many municipal ordinances and of the National Board's regulation offers no means of control of fire hazard resulting from the use of exterminator fluid. The wood hand-book of the Forest Products Laboratory, U. S. Department of Agriculture, recommends powder termite eradicators, such as Paris green, arsenical dust or sodium-fluosilicate for lumber damage that does

not necessitate replacement. The recommended liquid preservatives for wood are those of an oily nature and relatively insoluble in water, salts soluble in water and toxic constituents in volatile solvents other than water. Creosote is a most important and useful preservative, although its odor may be objectionable in residence construction or commercial buildings used for food product occupancy, and another objection is its inability to take paint.

Recommended salts soluble in water are zinc chloride, sodium fluoride, copper sulphite and mercuric chloride. Principal volatile solvents other than water are petroleum oils that vary from the crude, true fuel oil, kerosene, mineral spirits and naphtha, with corresponding flash points varying from 500 degrees to minus 50 degrees Fahrenheit. The lower flash point solvents create a serious fire hazard when used in occupied buildings. Most of the commercial liquid insecticides are highly flammable but few, if any, are found to be more effective than creosote or zinc chloride.

Failure to discover and repair the damage from termite infestation, Mr. Stegner points out, increases fire and safety hazards because the honeycomb remains after solid timbers have been reduced to little more than hollow shells. He states that "solid timber ignites slowly in comparison with honeycombed or shredded wood. Fire stopping in wood frame buildings of wood blocking to prevent a flue action between timbers becomes valueless after termites get into it. The termites will eat insulation from electric wiring, thereby permitting short circuits. Fire hose is also a choice morsel; in fact, they will devour anything containing cellulose, which is quite common in buildings and their contents."

### Differs from Dry Rot

Mr. Stegner believes that fire prevention building and insurance inspectors should learn the difference between termite infestations and dry rot. Building codes and insurance regulations should have mandatory provisions for termite prevention and extermination. Precaution should also be taken that fluids used by exterminators should not be permitted to create a serious fire and life hazard through large quantities of sprayed flammable liquids that may be accidentally touched off by a spark or open flame.

Likewise, municipal regulations for extermination should license all operators. Permits should be required to show the kind of treatment and location of every extermination job. Methods and material should be prescribed for safe and effective work. He points out that fire prevention campaigns should provide educational matter and orders should be enforceable to prevent additional infestation from existing colonies or swarms of these insects.

### Vote to Enforce Separation

The Southern California Fire Underwriters Association voted for 100 percent enforcement of separation. The morning session was given over to the battle against the \$30 Thursday proposed amendment to the state constitution, and to elucidation of the B. D. O. plans.

### War Risk Only in B. C.

VANCOUVER—The British Columbia Underwriters Association has approved the war risk and bombardment policy, but to date the warlike vandalism coverage has not been promulgated.

Stuart Ragland, Richmond, Va., local agent, president Virginia Association of Insurance Agents, who has been ill with pneumonia, is now convalescent.

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# The NATIONAL UNDERWRITER

September 28, 1939

## CASUALTY AND SURETY SECTION

Page Seventeen

### Weekly Payment Plan Is Counted a Successful System

**Modern Protection as Conducted by Paviour Agency at Rochester**

ROCHESTER, N. Y.—R. S. Paviour & Son of Rochester, N. Y., well known local agents, conduct the Premium Discount Corporation and also Modern Protection. The Premium Discount Company finances premiums. Modern Protection sells casualty and fire insurance on the weekly payment plan modeled after industrial life insurance sales system. It writes various forms of protection at 15 cents, 80 cents or \$1 a week, for example, depending on the annual paid-in-advance premium.

The Paviour agency says that although the selling is not confined to automobile liability insurance that branch affords a rich field. In Rochester territory the agency says there are 33,000 insured pleasure cars out of a total of about 100,000 automobiles driven.

#### Ready Response Found

The Paviour office says that agents of Modern Protection are finding a ready response among uninsured motorists who can take out a policy on this monthly premium method. It is found that they are not carrying insurance largely because they cannot afford to pay the full annual premium at once.

The agency says, "If the experiment now under way proves to be successful and all indications thus far point in that direction an extension of the plan to other parts of the state and to the country at large may be the solution to the demand for universal automobile insurance. Little has been done in the past to make it easy for the large class of low and medium salaried autoists to buy insurance."

#### Low Loss and Lapse Ratio

The Paviour office says that the substantial volume developed in the last seven months has produced a low loss and lapse ratio. Gas station attendants, factory workers, clerks, garage mechanics and others who are using the weekly payment plan seem to have fewer accidents than executives, proprietors, salesmen, insurance men and professional people, the office concludes. It is found that these weekly payment people meet their obligations with great regularity and generally cause little trouble.

#### Other Forms Sold

In addition to automobile liability and property damage insurance, other forms most popular on the monthly payment plan are automobile fire and theft, burglary and other miscellaneous lines. An agent spends about two days a week making his weekly collections and the balance of the time selling new business.

### Springfield F. & M. Has New Company

**New England Casualty to Be Launched by Prominent Fire Group**

Announcement is made this week that the Springfield F. & M. is launching the New England Casualty, having made application for charter. It is to be incorporated under the Massachusetts laws with a capital of \$750,000 and surplus of \$750,000. G. G. Bulkley, president of the Springfield F. & M., will be president of the new company and the directors of the Springfield will also act as directors of the casualty company. W. B. Crutten-den will be first vice-president; F. H. Williams, second vice-president; W. A. Hebert, third vice-president and secretary; Grant Bulkley, fourth vice-president; S. F. Law, assistant secretary.

#### Has Large Body of Agents

President Bulkley states that the growth of the casualty business and the increasing need for more closely coordinated underwriting of fire and casualty lines, makes it necessary that casualty facilities be available to agents. The Springfield F. & M. has more than 10,000 local agents representing it and its affiliated companies. The new company will do a countrywide business.

The report that the Springfield F. & M. planned launching a casualty writing company was current some years ago and was given general credence. The program, if then prepared, was abandoned because of the unsatisfactory conditions that developed in the casualty field, but now that the situation has distinctly improved and holds promise of continued betterment, the management arranged for the launching of a casualty running mate in keeping with like arrangements effective among so many other fire companies, both domestic and foreign.

### Atlantic Casualty, Newark, to Write at New Low Rates

NEWARK—Atlantic Casualty will write all new and renewal business 35 percent below the manual where an automobile is used primarily for pleasure purposes and 25 percent below when used primarily for business.

There will be no endorsements to sign. The company's rates for Class 4, commercials, will be 20 percent below manual. A rate for a \$1,000 policy has also been promulgated.

A policy may be paid for either on an annual basis or in four installments of 25 percent each, with a service charge of \$1. Annual policies are due within 60 days. The first installment of 25 percent will be due within 60 days and the next three installments will be due 90 days apart, giving in all 11 months for the payment of premiums.

#### Smrha Orders Medical Rider Ban

LINCOLN—Insurance Director Smrha has ordered that all automobile liability policies having medical expense riders be returned to the companies. He points out that both he and the attorney general, while recognizing that the med-

### Stewart McDonald Is Board Chairman

**Succeeds Silliman Evans in His Maryland Casualty Post**

BALTIMORE, MD.—Silliman Evans, for the last five years chief executive of the Maryland Casualty, is retiring as chairman of the board but will continue as a member of the executive committee and will be a director. Stewart McDonald of Washington, D. C., who is head of the Federal Housing Administration, was elected to succeed Mr. Evans. Mr. McDonald has been a member of the board of the Maryland Casualty for two years and was elected vice-chairman at the annual meeting in January. Mr. Evans is publisher of a daily paper at Nashville, which is requiring more of his attention. He came up from the ranks as a newspaperman, being a Washington correspondent. He became executive vice-president April 23, 1934, was elected president the following June and in January, 1937, became chairman. E. J. Bond, Jr., continues as president.

#### Mr. McDonald's Career

Mr. McDonald has been with the Federal Housing Administration for four years. He was born in Owatonna, Minn., and attended Notre Dame University and studied mechanical and electrical engineering at Cornell, being graduated in 1901. Most of his business career has been in St. Louis, where he was engaged in the manufacture of farm implements and electrical apparatus. He was for eight years president of the Moon Motor Company, automobile manufacturers in St. Louis. He was also an inventor, a bank director and for a brief period police commissioner of St. Louis. For the last few years, his chief interest has been housing.

Mr. McDonald was reared in an insurance atmosphere. His father was the late J. J. McDonald of Chicago, for many years western manager of the Continental Fire and subsequently the Connecticut Fire.

#### Mr. Evans' Tribute

In submitting his resignation, Mr. Evans paid tribute to the Maryland Casualty organization, saying:

"The increasingly heavy demands of my publishing business at Nashville and other business connections make it impossible for me to continue the executive responsibilities that I am carrying with your company. Accordingly, I resign as chairman of the board. The Maryland Casualty has occupied my thought, affection and labor during the past five years. It has an excellent organization comprised of as fine a body of men as it has ever been my privilege to be associated with. Certainly there is no better casualty insurance man than President E. J. Bond, Jr. The company is in excellent condition."

ical rider is a good sales aid, believe that too much controversy will arise by combining legal liability protection with coverage where no liability on the part of the assured exists.

### Juries Becoming Fairer in Auto Liability Actions

**Jurors Realize They Are Boosting Auto Rates by Lavish Verdicts**

Claim executives are finding that their companies are getting better treatment from juries in automobile liability suits than ever before. This is attributed to a growing realization that automobile rates are what the claim costs make them.

It is frequently found that where verdicts are given for the insurance company or a settlement is held down to a reasonable figure it was due to the presence of one or two intelligent, articulate persons on the jury who knew something about automobile rate making and realize that jurors—at least those owning insured automobiles—are penalizing themselves and not merely some unknown insurance company when they unthinkingly award heavy judgments out of sympathy to a plaintiff who may have been more to blame for the accident than the defendant.

#### Field for Local Groups

One claim executive suggests that there might be quite a field for agents in bringing to the attention of local chambers of commerce, Rotary clubs and other civic organizations the importance of the prevailing attitude of juries on liability cases. He pointed out to a corporation which is considering locating in a city the probable cost of defending and paying negligence claims may be an even more important consideration than the local tax rate. This is particularly important where an outside corporation is looking over a city, since there is often a wide difference in the attitude of juries. In some localities it is considered the smart thing to soak the outside corporation in any sort of negligence suit.

### Seek to Put Boston Plan on Permanent Basis

BOSTON—Commissioner Harrington and the Massachusetts Automobile Rating & Accident Prevention Bureau are working on a plan to establish a permanent "assignment risk" department in the bureau, to take care of the volume of undesirable risks which arises under the compulsory automobile liability insurance act.

Upon the failure of the Canton Mutual and Broad Street Mutual last December the bureau temporarily established an emergency plan by which risks left high and dry by the failures were taken care of through assignment to the bureau companies. It is now proposed that such an arrangement be made a permanent feature of the bureau service.



## RETIRING AND NEW CHAIRMEN



SILLIMAN EVANS

Silliman Evans, who retires as chairman of the board of the Maryland Casualty, will give larger attention to his daily newspaper in Nashville, the "Tennessean." He has made a splendid record as the chief executive officer of the company. Stewart McDonald, head of



STEWART McDONALD

the Federal Housing Administration, who succeeds him, has been vice-chairman of the board. He comes from an old insurance family, his father being the late J. J. McDonald of Chicago, who was western manager of the Continental Fire and later Connecticut Fire.

## Expect Change in Chicago Cost Plan

The feeling seems to be general that material modifications in the casualty acquisition cost plan for Chicago must be made, if a program actually is to be instituted. When it comes to a final showdown and the companies must sacrifice connections amounting to \$50,000 or \$100,000 or more of premiums, the managements are simply not prepared to take the step. The new effective date for the rules is Dec. 1, and it is freely predicted that if that date is held, important changes in the program will be made.

Some of the companies favor granting "relief," but others feel that this is too indefinite a procedure and that it is likely to be a source of controversy and bad feeling. There seems to be a good deal of sentiment in favor of increasing the quota of general agents in both the casualty and surety departments. Under the proposed rules a company would be allowed two general agents and one principal office in Cook county, and in the surety end one general agent and one principal office. One suggestion that is being advanced is to increase the quota of casualty general agents to four and of surety general agents to two. Even under such a quota, some companies would have to make a substantial sacrifice to get in line.

There is a certain amount of jealousy between what might be termed the "haves" and the "have nots." Some of the strongest advocates of the proposed program are the younger companies. The older institutions that have numerous connections in Chicago assert that the "have nots" are interested in seeing an extensive severance of connections so as to create agency opportunities for the smaller and younger companies.

A number of the class 1 agents of Chicago, who enjoy a good casualty income, but who would be classified as smaller offices, have been fearful that if the program were put into effect, as originally outlined, they would lose their present general agency connections for casualty lines and would be unable to get new representation, at least from the companies that belong to the acquisition cost conference. A subcommittee of the Chicago Insurance Agents Association, representing this class of office, has been

holding conferences and submitted recommendations to E. J. Schofield, chairman of the casualty acquisition cost conference. The subcommittee has been concerned only with the casualty phase and not with surety.

Agents of this class feel that they are entitled to general agency contracts with conference companies, because they are established agencies, doing a brokerage business and with the overhead that goes with a downtown office. One of their recommendations is that instead of eliminating the number of general agents that a company may have in Chicago, limitation be placed upon the number of companies that a general agent may have. However, they would permit existing arrangements to be perpetuated. William R. Reynolds of Chidley & Reynolds is chairman of the subcommittee.

The committee believes that if the program were put through without change the smaller agencies would lose their general agency franchises as the companies would be concentrating on the very largest agencies in the city with the result that the large agencies might have numerous general agency connections, while the smaller offices would have none, at least among conference companies.

### Plan Farm Safety Program

A safety on the farm program will be given Friday in connection with the Ohio State Safety Congress in Cleveland and farmers have been urged to attend. Farmers have been protesting the high cost of accident insurance coverage for agricultural workers. J. W. Beall, chairman Ohio industrial commission, said the number of farm accidents is increasing rapidly with little being done to halt the trend. Farm accidents increased 54.9 percent in 1929-38, while accidents in the steel industry, decreased 47.9 percent. H. G. Beale, a farm owner, and I. E. Evans, chief actuary, Ohio industrial commission will be speakers at the session.

### Bids on Cleveland School Line

CLEVELAND, O. — In connection with the story in THE NATIONAL UNDERWRITER last week regarding liability insurance on 32 elevators of the Cleveland board of education being awarded to Home Indemnity, with a low bid of \$1,597.60 for three years, W. L. Read, Cleveland manager Home Indemnity,

pointed out some discrepancies. The manual rate, he stated, was \$3,332.44 and not \$3,772.44. The reduced premium authorized by the bureau in an attempt to secure this business was reported as \$2,452.75, but Mr. Read pointed out that Fidelity & Casualty, Aetna Casualty and Columbia Casualty, all bureau members, quoted \$2,165.89, which was authorized by the bureau.

Buckeye Union Casualty, through A. F. Goldenbogen Co. agency, was the second low bidder, quoting \$1,620. The Employers Liability group quoted \$1,649.73, Continental Casualty \$1,856.25 and Yorkshire Indemnity \$1,895. High bidders were Zurich, \$2,500; Globe Indemnity, \$2,887.83, and St. Paul Mercury Indemnity, \$3,232.44.

### Set "City of San Francisco" Loss at \$600,000

Adjustment of the loss to the streamliner "City of San Francisco" that was owned jointly by Chicago & Northwestern, Union Pacific and Southern Pacific railroads, is proceeding to a conclusion, with the final settlement now being estimated at \$600,000. The train crashed near Elko, Nev., in August. Three of the cars were abandoned, but the others are being repaired at the Electro-Motive Corporation plant at LaGrange, Ill. The "City of San Francisco" was insured for \$2,000,000 by Pearl Assurance under a marine policy, written through Marsh & McLennan. The adjustment is being handled jointly by Western Adjustment and Underwriters Adjusting.

### Is Legal in Washington

The attorney general of Washington has notified Commissioner Sullivan that he is authorized to approve amended forms of automobile medical payment coverage which do not insure for accident the named insured under an automobile liability policy in connection with which the coverage is issued.

## In the Limelight



C. F. J. HARRINGTON, Boston

Insurance Commissioner C. F. J. Harrington of Massachusetts will be pretty much in the limelight when the National Association of Insurance Agents holds its meeting next week in Boston. He will give an address at the annual meeting of the Massachusetts association, Tuesday afternoon on "The Licensing of Qualified Agents and Brokers." He will be featured at the get-together dinner of the National association Tuesday evening, at which time he will extend greetings. At the closing session Friday morning he will administer the oath of office to the newly elected officials.

## More Companies File Revised Automobile Rates in Indiana

INDIANAPOLIS—Under the ruling by Commissioner Newbauer that rates on passenger automobiles could be cut 30 percent below manual, additional companies have filed. They are:

American States—standard form, 30 percent reduction; broad form, 20 percent reduction, Class W premiums adopted for all automobiles.

Motor Vehicle Casualty—Class W premiums, less 30 percent.

Hardware Mutual Casualty—Modified Rule 13A, Class W premiums for all cars; Class A, reduction 23 percent; Class A-1, 28 percent reduction; Class B, 10 percent reduction; Class C, classified as above plus manual surcharge.

Western Casualty & Surety—Class W premiums, less 30 percent, for all automobiles.

Northwestern National—non-business use, Class W premiums, less 30 percent; business use, Class W premiums, less 20 percent.

Allstate—non-business use, Class W premiums, less 30 percent; business use, Class W premiums, less 20 percent.

Interinsurance Exchange of Chicago Motor Club—30 percent reduction.

Employers' Liability and American Employers—non-business use, Class W premiums, less 30 percent; business use, Class W premiums, less 15 percent.

Home Indemnity—Class A, 30 percent; Class B, 25 percent; Class C, 25 percent, all Class W premiums.

American Casualty—non-business use, farmers and clergymen, 30 percent reduction; business use, 20 percent reduction; financial responsibility risks, manual plus surcharge.

Farmers Mutual Liability Company—Class W premiums, less 30 percent.

Ohio Casualty—Class W premiums, less 30 percent.

Girard F. & M., Milwaukee Mechanics, Firemen's, Concordia and National Ben Franklin—Class W premiums, less 30 percent, except financial responsibility risks, which are manual plus surcharges.

### To Appeal Virginia Case

The law committee of the Association of Casualty & Surety Executives has decided to appeal to the U. S. Supreme Court the decision of the three-judge federal court at Richmond, Va., upholding the constitutionality of the Virginia resident agent act. The 34 companies that were plaintiffs in the suit are members of the Association of Casualty & Surety Executives. Three branch managers of member companies were also plaintiffs.

There seems to be a movement to try to come to some conclusion on part of agents in Virginia and companies so that unfavorable results may not follow an extension of the Virginia laws to other commonwealths. It is stated that some of the agents feel that a compromise would be very wise. The compromise undoubtedly would center about the fee for countersignature and also a curtailment of branch office activities.

### Portfolio on Liability Line

Standard Accident of Detroit has released to its agents a new portfolio containing business building plans on general liability coverages, and particularly residence liability. It contains a variety of attractive folders, blotters, and other promotion aids, as well as suggestions for newspaper copy, sales letters, and numerous ideas and suggestions for the development of these lines.

This is the sixth and final in a series of portfolios containing business building plans.

Pacific Employers Insurance of Los Angeles was licensed to write business in Oklahoma. It writes workmen's compensation, automobile liability and all casualty lines.



## War Conditions on Boiler Coverage

### Underwriting and Rates Are Not Affected by European Conflict

War conditions do not affect the underwriting or rates of machinery of power plants or steam boiler coverages, according to P. M. Murray, of Chicago, manager of the Hartford Steam Boiler. He points out that this type of insurance covers for accidental damages, but damages due to the deliberate acts of individuals are not covered under such policies. Riot, civil commotion, vandalism and malicious destruction coverage must be carried to protect manufacturers from the effects of war time sabotage. During the last world war there were only a few instances of machinery and steam boiler losses being caused by suspected sabotage. One of these was loss to boilers in a salt producing plant in Michigan, as a result of boilers being burned out. It was not definitely traced to sabotage.

Increased premium volume has already been shown as a result of the European war, particularly among food industries. Such food processing plants as oatmeal mills stepped up their production in some cases to 24 hours a day to take care of orders of both domestic and foreign demand.

Engineers of companies writing boiler and machinery insurance must take into consideration in making surveys and writing coverages the length of time it is necessary to take to reproduce certain equipment, such as motors or machinery of German or other foreign manufacture. Such equipment may be essential to manufacturing processes and war conditions may either delay or make it impossible to duplicate the equipment. Adequate insurance protection therefore must be provided for machinery U. & O. and consequential coverages.

### Only Six Myles Standish Claims

BOSTON—Only six claims against the Myles Standish Mutual Liability Company developed as a result of the hearing called by Commissioner Harrington the past week. The company has never operated. It secured a charter but license was withheld until the charter expired.

The legislature authorized extension of the charter an additional year, but still the promoters of the company were unable to get a license from the insurance department.

The company claims it had returned all premiums it had collected to qualify it for doing business. The six claims which developed at the special hearing were for a total of \$71. President Abramson of the company said it had no record of five of the six claims.

### Buyers Study Coverages

KANSAS CITY—The Insurance Buyers Conference of the Associated Industries conducted an open forum on 20 insurance questions, with W. J. Welsh, Mann, Barnum, Kerdoff & Welsh, acting as expert on liability; William Semsrott, director insurance and compensation Bureau of the Associated Industries, St. Louis, on compensation, and J. O. Gill, manager, Missouri Inspection Bureau, Kansas City, on fire.

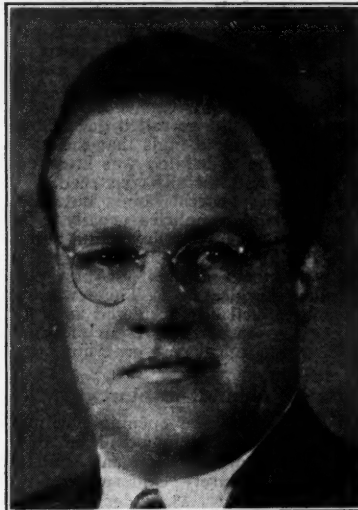
### Rhode Island Office Opened

The Employers Liability, American Employers and Employers Fire have now opened a Rhode Island department under the supervision of A. D. Boutillier as manager with offices in the Turks Head building in Providence. He has been with the company for over 30 years. He served as counterman, payroll auditor, special agent, agency supervisor and recently assistant manager of the New England department.

## MANAGERS WILL TAKE A PROMINENT PART



C. J. FITZPATRICK



ARTHUR D. GROSE



RICHARD C. BUDLONG

Three advertising managers of casualty companies will have a prominent part at the annual meeting of the Insurance Advertising Conference in Bos-

ton next Monday and Tuesday. C. J. Fitzpatrick, secretary United States Fidelity & Guaranty; Arthur D. Grose, superintendent of publicity department

of the Employers Liability group, and R. C. Budlong, advertising manager Globe Indemnity, are listed as discussion leaders.

## Allstate Dismisses Suit in Indiana

Allstate Insurance has dismissed without prejudice its suit for a declaratory judgment filed in the circuit court in Indianapolis against Commissioner Newbauer, in which it sought to void the commissioner's ruling prescribing minimum rates for automobile liability and property damage coverages.

The minimum rate prescribed by the ruling was fixed at 20 percent less than manual. The Allstate company had been writing these coverages in Indiana, as in most other states, at rates computed at 30 percent below manual or 14 2/3 percent below the minimum fixed in the ruling. They claimed they could continue to charge such lower rates with absolute safety to policyholders and brought the action challenging the validity of the ruling.

Commissioner Newbauer amended his ruling on Sept. 5 by reducing the minimum rate to 30 percent below manual, which as so reduced was not in excess of those charged and desired to be continued by Allstate.

### Seeks to Discover Funds

BOSTON—The Massachusetts Bonding, which furnished surety bonds for R. W. Barron, imprisoned former tax collector of the town of Tewksbury who pleaded guilty to the theft of \$32,147 from the town, has brought a bill in equity in the Middlesex superior court asking that Barron be ordered to disclose what he did with many thousands of dollars he converted to his own use while tax collector. Barron repeatedly refused, while in court, to disclose by what means he had disposed of the stolen money. The bonding company paid \$31,652 on the bond, which had been reduced by some \$1,200 from available assets of Barron.

R. W. Howe, treasurer Davenport Insurance Corporation, Richmond, Va., will be director of a new course in life and casualty insurance to be given at the University of Richmond evening school of business administration during the present term. H. P. Eitel, Fidelity & Casualty, will teach the principles of casualty insurance. A. B. Scott, Atlantic Life, will give instruction in life insurance. W. F. Curtis, Curtis & Boswell agency, will give instruction in surety bonds.

## H. F. Evans Advises Agents to Keep Eye on Money Bill

Henry F. Evans of the Cashman & Evans general agency of Denver, in addressing the annual meeting of the New Mexico Association of Insurance Agents in Albuquerque, implored the producers to devote their energies more wholeheartedly to selling the casualty and surety lines that are available instead of finding fault with company procedure. Too many agents, he said, are spending their time undertaking to tell the companies how to run their end of the business, instead of going out to make more money with the facilities at hand.

The companies are composed of human beings, who are willing to discuss with the producer any of his troubles and to change their procedures to the satisfaction of the agents, if at all possible. The agent should not hesitate to make his wants known, but there is too great a tendency, according to Mr. Evans, on the part of the agents to tell the companies that they "must" do this or that.

### Warns Against Legislation

Mr. Evans warned against going to the legislature for correction of ills. Many insurance laws are inspired by selfish endeavor to legislate the premiums into an agent's office, which he has not worked to produce, he said. Such premiums, he declared, are elusive. They become diverted to some other agent with more "pull." These laws rarely give any consideration to any of the constitutional rights and privileges of the other fellow and have no regard for the laws of supply and demand and much less for the golden rule.

Mr. Evans observed that the companies contribute to the general welfare of the state through the payment of taxes, a very small proportion of which go for the support of supervision. For instance, in New Mexico, in 1938, the companies paid taxes of \$210,083 of which less than \$10,000 went to the support of the insurance department. The companies are spending money to make life more pleasant, more safe and more sure through safety engineering, accident prevention, etc. He spoke enthusiastically of the safe driver reward plan in the automobile field and asked: "Is there any other line of business that returns

you a portion of the money that you paid them for their product, after the sale is closed, and the product used or consumed?"

Due to the rapid growth of the casualty business, he said, some of the executives adopted a superior attitude and scoffed at the restraints and safeguards that had been set up in the older fire insurance business. These indiscretions, he predicted, will bring their penalties. The best and strongest casualty and surety companies, he said, realize the importance of organization and support the various stabilizing influences.

### Casualty Reserves Important

Mr. Evans emphasized the importance of the reserve factor in the casualty business. It is much more important than in the fire insurance field, he pointed out. The agent should be doubly careful of the company that he recommends for the casualty and surety lines, he declared. The assured assumes that the agent recommends a company only after he has an expert knowledge of it and that his representation of that company certifies to its condition and character. The agent has a great individual responsibility to his client.

The casualty and surety business, Mr. Evans characterized as the "great white hope of the American agency system." Twenty years ago the premiums in that class in New Mexico were \$399,000. In 1938, they were \$2,246,000. The future is more promising than in any other class of business. The companies are reaching out to help and protect the man of moderate means by devising forms of policies that he can afford to pay for. The manuals are being constantly amplified and made more easily understood.

### Maryland Casualty Outing

NEW YORK—Sponsored by the Fortieth Club of the New York branch office of the Maryland Casualty, its employees in this city and in the Newark office, held a joint outing at Union, N. J., over 165 persons enjoying the affair. The feature was a soft ball contest between the "Bloomer Boys" of Newark, and the "Ten Old Men" of the New York branch; the former proving winners by a score of 13 to 5. Later dance contests were held. Credit for arranging the outing was accorded General Chairman Phillip Keeby of New York and Alois Sanders of Newark. As its title implies the Fortieth Club was formed to commemorate the 40th anniversary of the Maryland Casualty's founding.

## Medical Expense Rider O. K.; Barring Named Assured

The attorney-general of the state of Washington has rendered an opinion to Commissioner Sullivan that the so-called automobile medical expense payment endorsement is permissible under the state laws, so long as it provides no benefits on account of injuries or death to the named assured. On June 7 of this year the attorney-general upheld Mr. Sullivan in disapproving a specific form of rider, but the objection was based solely on the fact that coverage was provided thereunder for the named insured as well as for the occupants of the car. When the named insured is included, according to the attorney-general, the endorsement is an attempt to write accident insurance without complying with the provisions regulating the writing of that cover.

The attorney-general holds that the provisions of the law defining and regulating accident insurance are intended to apply only to that type of insurance whose primary purpose is to secure weekly indemnity and money to the insured in the event of disability from ac-

cidental injury, with the usual added features providing for payment of a specified gross sum under certain conditions.

The medical payments endorsement to the automobile policy, on the other hand, is essentially liability insurance, according to the attorney-general. Payment of benefits is not based upon any liability resting upon the named insured, although liability might exist occasionally notwithstanding the so-called guest law. The attorney-general finds that the statutory definition of liability was intended to be flexible and liberally construed.

The attorney-general points out that employers liability policies usually provide medical aid for employees and automobile liability policies for many years usually provided payment of first aid medical and surgical costs. The new coverage might well be considered as simply an extension of the present first aid medical and surgical cost provision.

### Insurance Seminar to Start

NEW YORK—The opening meeting of the Insurance Seminar will be held at the rooms of the National Bureau of Casualty & Surety Underwriters on the evening of Oct. 18, under the general direction of Assistant Vice-president Ambrose Ryder, of the Great American Indemnity. The seminar is designed to

afford those engaged in the insurance business an understanding of the nature and scope of all of its branches.

### Fidelity & Casualty School

The Fidelity & Casualty head office held a bond conference, Sept. 11-30. Committees were appointed to make recommendations as to the subjects and treatment of them. There was a different program each day, home office officials and department heads giving talks. Carroll Young is superintendent of the bond production department. Following the treatment of a subject by the person assigned, there was a general discussion.

### Board Gets \$13,400 Additional

Operation of the special appropriations board created to supervise expenditures of special funds has provided the casualty division of the Texas insurance board with an additional \$13,400 a year.

George Murch of Barney & Barney, San Diego, spoke at the initial fall meeting of the San Diego Chapter of the Insurance Girls Service Club on "Burglary, Theft and Robbery Insurance." At the dinner, preceding the regular meeting, past president's pins were presented to the first president of the Chapter, Merle Dickens and to Ellen Pratt, now of Salt Lake City.

## Double Decker



HARVEY R. PRESTON,

H. R. Preston of Springfield, Mass., will serve in a dual capacity at the Boston convention of the National Association of Insurance Agents next week. He will preside over the deliberations of the Massachusetts Association of Insurance Agents on Tuesday when it will hold its annual meeting at the Bradford Hotel. The executive committee will meet at 11 a. m. followed by a joint luncheon of the state association, and Boston Board. A business meeting will be held in the afternoon. John K. Boyce of Amarillo, Tex., member of the National Association of Insurance Agents executive committee, will represent that body and will give an address. Other set speakers are A. V. White of Keene, N. H., national councillor of his state, and Insurance Commissioner Harrington of Massachusetts.

The Association of Casualty & Surety Executives announces the resignation of Miss Isabel W. Hay as assistant treasurer. She shortly will sail for England, her native country, to take up war work. Miss Hay had been assistant treasurer for many years. In 1921 she joined the staff of the Workmen's Compensation Publicity Bureau, a predecessor organization of the Association of Casualty & Surety Executives. When the Association was organized she remained and rose through several positions to the office of assistant-treasurer.

## CHANGES

### W. E. Cason Joins Hofer in Quincy

William E. Cason has resigned as Illinois supervisor for Continental Casualty to become a partner of Harry Hofer in the local agency business in Quincy, Ill. The agency will hereafter be known as the Hofer, Cason Company. Mr. Hofer has operated an agency in Quincy about

### WANTED

General automobile adjuster for Chicago area. Give complete details of your experience, including age and salary expected.

ADDRESS K-53, THE NATIONAL UNDERWRITER  
175 W. Jackson Blvd.  
Chicago

### BOILER UNDERWRITER WANTED

Position available for competent boiler and machinery underwriter in Home Office of Casualty Company. Must have had five years' experience. State education, special training and salary desired.

ADDRESS K-52, THE NATIONAL UNDERWRITER  
175 W. Jackson Blvd., Chicago

# AGNOSTIC

AGNOSTIC. Formed from the Greek agnostos, unknown, and defines one who disclaims any knowledge beyond that obtained by experience.

—"Origins and Meanings," Hargrave.

*By adding technical knowledge to experience,  
successful agents master their competition.*

## Bankers Indemnity Insurance Co. Newark, New Jersey

of

THE American Insurance Group  
Newark New Jersey



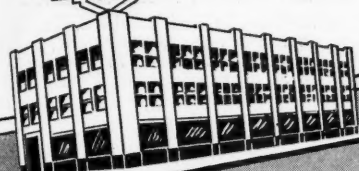


1939

ALL THAT

# Excel Implies!

AMERICAN  
STATES  
INSURANCE  
CO.



AUTOMOBILE POLICY



AMERICAN  
STATES  
INSURANCE COMPANY  
HOME OFFICE • INDIANAPOLIS, IND.

## The New EXCEL Policy

Gives All These **EXTRA** Coverages That Are Usually Excluded or Not Included in the Standard Automobile Policy . . .

### Driver and Car Are Protected Regardless of: . . .

- 1 The age of the driver.
- 2 Any state, federal or provincial law applying to the age or occupation of the driver.
- 3 Its use for charge or hire.\*
- 4 Wherever the Assured drives in North America including Mexico, Canada and all other points outside of the United States, and while on vessels between any ports in North America.
- 5 Its use in any prearranged race or competitive speed contest.
- 6 Its use in the business of demonstrating or testing.
- 7 Its use for towing or propelling any trailer or house-trailer.

### Including, AT NO EXTRA CHARGE, under loss or damage to the auto- mobile: . . .

- 8 Loss or damage to personal effects up to \$100.00 caused by fire and lightning.
- 9 Glass breakage from any cause.
- 10 If the automobile is stolen, provides up to \$5.00 a day for the rental of a substitute automobile.
- 11 Theft of the automobile by any person in the Assured's household.
- 12 Theft through parting with the possession of the automobile through any fraudulent scheme, trick or device.
- 13 Theft of any tools or repair equipment even though the automobile is not stolen.
- 14 War, invasion, insurrection, riot or civil commotion.
- 15 Loss or damage caused by fire, theft, tornado, cyclone, windstorm, hail, any falling object, breakage of glass, earthquake, explosion, riot, insurrection or civil commotion, malicious vandalism.
- 16 Payment of total loss to the automobile within 30 days from the date Proof of Loss is filed.

### Including, AT NO EXTRA CHARGE, under the Bodily Injury Liability and Property Damage coverages:

- 17 Any damage done by the Assured's trailer or semi-trailer, including house-trailers.
- 18 Both husband and wife are protected while driving any borrowed automobile; and for the occasional use of a hired automobile.
- 19 Non-ownership liability on chauffeurs and domestic servants.
- 20 Protection against liability for damage to rented or leased property.

### Including, AT NO EXTRA CHARGE, in addition to the limits of liability:

- 21 To defend any suit against the Assured, even if groundless, false or fraudulent.
- 22 To pay the entire cost of all court proceedings, including witness fees and attorney fees.
- 23 To pay all interests accruing after entry of judgment even though the judgment may be in excess of the policy limits, until the Company has paid, tendered or deposited in court such part of such judgment as does not exceed the limit of the Company's liability thereon.
- 24 To pay the Assured for any expense, other than loss of earning, incurred at the Company's request, which would include any traveling and other living expenses necessary in attending a trial away from home. This is very important as oftentimes accidents happen at some distant point, and in the event of the trial of the case it would entail sizable traveling and living expenses to attend the trial.
- 25 To pay all premiums required on appeal bonds in any defended suit appealed by the Company.
- 26 To pay all premiums required on bonds to release attachments.
- 27 To pay the Standard Manual Premium on a bail bond, such bond not to exceed Five Hundred Dollars (\$500.00), in the event the Assured is involved in an accident covered by this policy and is arrested for violation of any motor vehicle law.

\*Not applicable in Illinois.

Agents in Illinois, Michigan, Ohio and Indiana—write, wire or phone TODAY for information about our New EXCEL Policy.

A policy that's "Easy to Look At" and Easy to Sell!

# AMERICAN STATES INSURANCE CO.

AMERICAN STATES BUILDING • INDIANAPOLIS

DUDLEY R. GALLAHUE, President

EDWARD F. GALLAHUE, Sec'y-Treas.

## NEWS OF THE CASUALTY COMPANIES

20 years. He has been general agent for Continental Casualty for many years.

Mr. Cason has been in the Illinois field for Continental Casualty about four years. He had local agency experience in Canton, Mo., and had company experience with the America Fore group, Southern Surety and Home Indemnity.

### Suydam Is Promoted

S. M. Suydam, payroll auditor for the Fidelity & Casualty in Chicago, has been made assistant manager of the home office payroll audit department at New York City. M. R. Helferty, who has been with the company at Minneapolis, succeeds Mr. Suydam at Chicago.

John P. Desmarais & Co., Houston, has been appointed general agent for all lines for Standard Accident.

### To Study Automobile Cover

KANSAS CITY—The Casualty & Surety Institute course this year will deal largely with automobile insurance and will cover 21 weeks. L. V. Palmer, Allied Mutual, is president.

C. F. Harroll, general agent Inter-Ocean Casualty, Dayton, will be the first speaker on the fall program of the Cincinnati Accident & Health Association, Sept. 29 at Hotel Sinton.

### Swiss Company and War Conditions

United States Manager Neal Bassett of the Accident & Casualty of Switzerland has issued a letter to agents in view of the European war in which the point is made that Switzerland is an entirely neutral country and has not been engaged in any foreign war since 1516. It has been a republic since 1291. Its neutrality, Mr. Bassett states, has long been and is now guaranteed by practically all European nations. This is superinduced because of its location between France, Italy and Germany.

### Wants Switzerland to Continue

No European nation, says the letter, wishes Switzerland obliterated because of the same general reasons for a buffer state and also because of long existing bonds of friendship in commerce. Switzerland, it is pointed out, is the least tempting to an invader. Its mountains form an impenetrable barrier and one that could be used indefinitely to constantly harass and damage an enemy.

There would be no desire to capture Switzerland to get any food, coal or mineral. American policyholders of Swiss companies, it is declared, are well protected in every way. Manager Bassett declares an invader could not secure the real control of important insurance companies, banks or other financial institutions of Switzerland. They are very large and influential and have world-wide operations, he adds. An invader could not secure the liquid assets such as cash, stocks, bonds, etc., because they would be out of the country. It could only secure building structures in which they are housed in normal times. While Swiss people, he says, do not believe they will be invaded they are wise, careful and able people and they have taken every precaution to protect themselves and their institutions.

### Examination Report Made on George Rogers Clark

The Illinois department has reported on the examination of the George Rogers Clark Casualty of Rockford, Ill., which writes accident and health insurance, the date of the examination being as of Aug.

31, 1938. The assets were \$22,579, surplus \$15,033. The report says the cash position is ample for current operating needs. The company took over the American Benefit Casualty. The loss ratio was found favorable due in part to the limited policy provisions. The American Benefit was located at Springfield and was taken over by the George Rogers Clark Casualty in April last year.

R. W. Nauert, who has held the office of president since January, 1934, and was authorized to draw \$250 a month, has not received any remuneration for his services. He has executed a waiver for all salary that might be due him. The only salaried person is the secretary, Margaret C. Kennedy. The company is licensed in Illinois but has acquired considerable business outside the state through mail and magazine advertising. Its premiums received for the eight months of 1938 were \$51,126, total income \$82,237, claims paid \$12,808, total disbursements \$63,589.

### Suburban Auto Audit Released

Suburban Auto of Lombard, Ill., as of Dec. 31, 1938, had assets \$594,545, capital \$200,000 and net surplus \$79,936, according to a report of the examination conducted by the Illinois department. The examiners state that Suburban Auto has a well diversified investment portfolio and in view of its equity in its loss reserves, it has a strong financial position. A good cash position has been maintained. Prompt settlement of policy obligations are made in a manner which afford policyholders equitable treatment.

Suburban Auto was organized in 1931 and took over the business of Suburban Auto Insurance Underwriters, a reciprocal. President E. F. Deicke and Treasurer A. L. Deicke are the principal operating officers. Operating in Indiana, Iowa and Illinois, Suburban Auto writes full coverage automobile and plate glass insurance. During 1938 premiums written were \$348,189, total income \$379,331, losses paid \$120,163, adjusting expenses paid \$19,706, commissions \$92,939, other underwriting expenses \$63,659, total disbursements \$312,309.

L. H. Schneider, of the insurance firm of Wright, Russell & Bay Co., Toledo, was named chairman of the insurance committee of the Toledo Association of Credit Men.

J. B. Patterson, independent adjuster and member of the Sunflower Blue Goose Puddle, was elected head of the Wichita Kentucky Club.

### N. Y. Lawyers Join Practice War

NEW YORK—Holding that the increasing number of laymen appearing before government boards and agencies constitutes an invasion of the function of lawyers, the New York State Bar Association has appointed a special committee to delve into the subject. Special attention, it was stated, would be devoted to hearings on claims under the workmen's compensation law, the bar association chairman cited sections of the law defining the qualifications of parties permitted to represent claimants before the industrial commission and other hearing bodies.

### Callander Goes to Chicago

DES MOINES, IA.—Frank Callander, complaint council and policy examiner in the Iowa department for the past four years, announced he has accepted a position with the Association of Casualty & Surety Executives in its Chicago claims bureau. He will leave the Iowa department on Oct. 15. Before coming to the department he was with the Mutual Benefit Life in Des Moines for more than 15 years.

### Penalized for Withholding Award

The New Jersey State Workmen's Compensation Bureau has suspended Max Wecker, a Hudson county lawyer, from practice in any compensation court in the state for one year on complaint of Harry Bean of Brooklyn, N. Y., who stated that the attorney had withheld an award of \$291 from him.

DEPENDABILITY in  
ALL THINGS—  
at  
ALL TIMES

established 1897

*Continental*  
CASUALTY COMPANY  
CHICAGO, ILLINOIS

Affiliated with

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## Leaders at Mutual Rallies in Chicago



L. G. PURMORT



A. V. GRUHN

Among those who will have a leading part in the meetings of the various mutual organizations in Chicago next week are L. G. Purmort and A. V. Gruhn.

Mr. Purmort, who is secretary of Central Manufacturers Mutual Fire of Van Wert, O., is president of the Federation of Mutual Fire Insurance Companies, one of the organizations that will be in

session. It is understood that he is scheduled to be elected the new president of the National Association of Mutual Insurance Companies which will also meet in Chicago.

Mr. Gruhn is general manager of the American Mutual Alliance which embraces the various national organizations of mutual companies.

## WORKMEN'S COMPENSATION

### Hope Pennsylvania Will See the Light

In view of the failure of the Pennsylvania department thus far to sanction use of the retrospective rating plan for workmens compensation insurance in the state, the address of Vice-president J. W. Randall of the Travelers before the Pennsylvania Association of Insurance Agents at Wernersville, agents of the state feel, will induce the department to give careful study of the idea.

The retrospective plan was adopted in Massachusetts in 1936, since which time a number of states have sanctioned its use. From the experience in the Bay State, the only commonwealth that has made results in such connection public as yet, the plan has been a success; assured having profited through its acceptance. Through payment of an additional premium an assured under the retrospective plan is guaranteed against imposition of a further premium beyond a given percentage, while on the other

hand, he stands to profit substantially if his risk has a favorable loss experience.

### Maine Gets Reduction in Compensation Rates

Commissioner Lovejoy of Maine advises that effective Oct. 31, rates for workmen's compensation risks in the state will be reduced by an average of 10.2 percent, being the third successive reduction within recent years. This desirable result, in the opinion of the commissioner, is attributed to the close supervision given the line by the department and to the fine response of employers and employees to the safety campaign vigorously waged throughout the state.

### Compensation Bureau Rejects Lawyer's Fee Petition

NEWARK—Action brought by Mrs. Anna Wierczbicki, widow of a former caisson employe of the Passaic Valley Sewerage Commission, in which she sought restitution of a \$4,192 fee from a

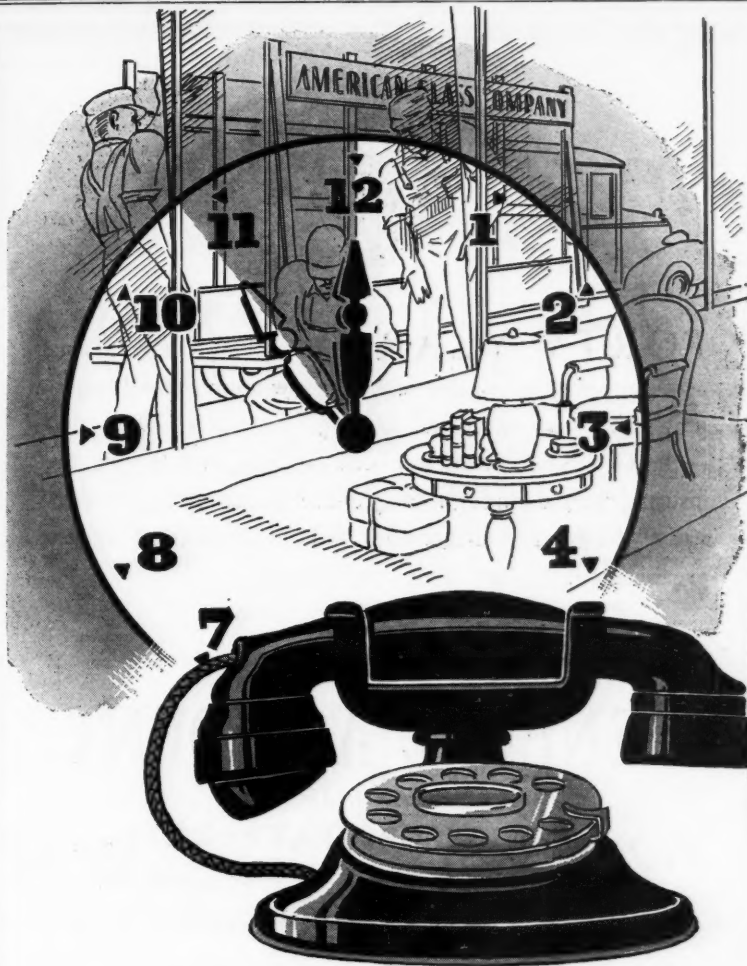
## AGENCY SUPERVISOR WANTED

Large Company has opening for Agency Supervisor, Accident and Health department. Requires moving to Home Office, considerable traveling. Our force knows of this ad.

If interested and can qualify, write in confidence giving age, marital status, experience, reference, salary required.

Address K-54, The National Underwriter  
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Excellent Opportunity for Qualified Man



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Modern merchandising methods require goods to be prominently displayed to obtain speedy turnover. Sales are lost when display windows are rendered useless.

Speedy plate glass replacements are essential. That's why it pays to have the American Glass Company, with its fleet of speedy reliable trucks, manned by experienced drivers and workmen handle your plate glass replacements.

Your service to assureds will be improved through our service to you.

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**FORTY YEARS** is a long time. Long enough to see the casualty business grow from a small beginning into a vast enterprise. During forty years—since 1899—the General Accident has been growing, and serving the insuring public through progressive underwriting, conservative financial management, and an unexcelled agency organization.

## GENERAL ACCIDENT

FIRE AND LIFE

ASSURANCE CORPORATION, LTD.

General Bldgs. 4th & Walnut Sts., Philadelphia, Pa.

JOHN H. GRADY, U.S. Attorney JAMES F. MITCHELL, U.S. Manager



### THE HANDWRITING ON THE WALL! FAILURE TO PROVIDE PROTECTION MAY MEAN RUIN!

THE OWNER OF EVERY BUILDING IN WHICH THERE IS A TAVERN,  
CLUB OR RESTAURANT IN WHICH INTOXICATING LIQUOR IS SERVED.

#### MAY LOSE HIS BUILDING,

TO SATISFY ANY JUDGMENT AGAINST THE TAVERN KEEPER  
OR TENANT WHO SERVES THE LIQUOR.

WITHIN THE PAST FIVE YEARS THERE HAVE ARISEN

More than 5 suits for	\$100,000
More than 25 suits for over	\$50,000
More than 50 suits for over	\$25,000
More than 100 suits for over	\$10,000

**THE ONLY PROTECTION IS INSURANCE**  
FOR PARTICULARS

## A. F. SHAW & CO.

INSURANCE EXCHANGE, CHICAGO

PHONE WABASH 1068

Hudson County law firm, was dismissed by the New Jersey Workmen's Compensation Bureau. The Bureau held the widow delayed too long before asking return of the money, that it was without jurisdiction to order the refund of the money, and that the case was one for the civil courts.

### Court Sustains Lunch Hour Decision in New Jersey

NEWARK—The New Jersey court of errors and appeals has held that a man does not lose his workmen's compensation protection if he decides to leave the job during his luncheon hour to return empty beer bottles to a nearby tavern.

This ruling sustained a decision of the New Jersey supreme court, which has upheld the workmen's compensation bureau in awarding Mrs. Johanna Glynis \$2,000 for the death of her husband. He was struck and killed by an automobile as he crossed the street.

The employer of the deceased, C. L. Wright, contended that Glynis was not in his employ when he left the premises to return the bottles.

### Occupational Skin Diseases

GRAND RAPIDS, MICH.—American industry should safeguard itself to a greater extent against occupational diseases which are now compensable in most states, members of the Michigan State Medical Society were told at their annual convention here. Dr. Louis

Schwartz of the United States public health service said occupational skin diseases alone cost industry in this country approximately \$4,000,000 annually. He said the number of occupational skin disease cases yearly is about 20,000, representing an average of 10 weeks of lost time each, \$100 in compensation and \$90 in cost of medical care.

### Travelers Appoints McKay

HARTFORD, CONN.—Travelers announces the appointment of Harold A. McKay, assistant superintendent of agencies at the home office, to be executive head of the company's casualty field organization in Greater New York, with the title of associate manager for casualty lines.

Mr. McKay has served in this capacity more than a year during the illness of Vice President John McGinley and the late Manager John E. Gossett and now assumes full charge. He is one of Travelers' most able and experienced young men. He will make his headquarters at 55 John street.

### Lawyers Ask Michigan Revision

DETROIT—The state bar of Michigan at its annual convention here adopted a resolution calling upon the legislature to make a general revision of the workmen's compensation act. If the legislature acts favorably upon the resolution, it would mean scrapping of the long-standing and unwieldy Michigan compensation code, which is supplemented by 650 to 700 supreme court opinions.

### F. B. I. After Midwest Check "Artist"

Insurance offices throughout the midwest have been victimized by R. C.

Watson who uses many aliases and whose picture appears here. The Federal Bureau of Investigation warns insurance offices of his operations and requests immediate reporting of his presence.

The above photograph bears FBI File No. 67,295. C. W. Stein, special agent in charge of the Federal Bureau of Investigation office in the First National Bank building, Omaha, describes Watson and his activities as follows:

"For about the past ten months, R. C. Watson, with many aliases, has been cashing worthless checks throughout the United States, and particularly in the middle west. He is driving a black, 1936, eight cylinder Buick sedan, motor No. 43061145, serial No. 2904013, which he usually registers in the state where he is operating. He then calls on some insurance agency and secures insurance on this car, the premium of which rarely exceeds \$30. He then tenders it a counterfeit cashier's check, allegedly drawn on the First National Bank, Omaha, ranging in sums from \$46 to \$60. The insurance agency then gives him the balance in cash.

#### Warrant Is Outstanding

"On Sept. 7, 1939, a complaint was filed in Omaha by the F.B.I., and a warrant is now in existence in connection with his victimizing an insurance agency at Holdrege, Neb., Aug. 21, 1939. Within the past week he has been operating in Oklahoma and Kansas.

"Watson is described as age 43;

height, 5 feet 7 inches; weight, 145 pounds; brown eyes; dark chestnut hair;



dark complexion; scars, cut scar inside left wrist; peculiarities, very prominent ears, standing out from head; clothing, dresses neatly, usually double breasted suit with pin stripe; wears Masonic ring.

"Should any insurance agency secure any information about this individual, it is requested that it communicate with the nearest office of the Federal Bureau of Investigation, and if Watson calls upon them, arrange to have him taken into custody immediately by the local police."

#### Commissioners to Attend

It is expected that Superintendent L. H. Pink of New York and Director Ernest Palmer of Illinois will surely attend the White Sulphur convention of the casualty people week after next. It is also hoped that Commissioner Blackall of Connecticut and Harrington of Massachusetts will be on hand. Commissioner Sims, or Deputy Justice of West Virginia, may make the grade.

Miss Marie Haug, 47, assistant treasurer of the Empire Life & Accident of Indianapolis for 19 years, died after a brief illness.

#### OUTSTANDING LIFE INSURANCE MAN

not entirely happy in his present connection; enjoying excellent reputation on successful record; highly regarded by qualified judges; remarkably competent on estate, taxation and business insurance; aggregate personal production 1937-39 inclusive about \$2,000,000; broad general business and university education; experienced organizer (sales director) and tireless worker, seeks position as Life Insurance Manager of an integrated general insurance firm New York or Chicago; capable of building new department from scratch if desired.

ADDRESS K-45, THE NATIONAL UNDERWRITER, 175 W. Jackson Blvd., Chicago



## ACCIDENT AND HEALTH

### A. & H. Week Is Set for April 22-28

The week of April 22-28 will be Accident & Health Insurance Week in 1940. The general committee in charge of the observance of the week so decided at a meeting in Detroit to wind up the affairs in connection with the 1939 week and make plans for next year.

There were 14 members of the committee in attendance, representing all sections of the country from Boston to Los Angeles. Several other company executives not members of the committee also attended, as did W. B. Cornett, Columbus, O., president National Accident & Health Association. His attendance brought the heads of the three major organizations in the accident and health field together at this meeting, as Thomas Hook, Standard Accident, chairman of the governing committee of the Bureau of Personal Accident & Health Underwriters, and J. E. Powell, Provident Life & Accident, president of the Health & Accident Underwriters Conference, are members of the committee.

#### New Distribution Plan

It was decided to retain the same form of organization and administration, and the same committee, with Harold R. Gordon as chairman. The chairman was authorized to increase or decrease the membership of the committee as might seem advisable.

Mr. Gordon had agreed to serve again as chairman only on condition that his office be relieved of the detail work of handling the material put out by the general committee. THE NATIONAL UNDERWRITER COMPANY was therefore selected as the official agency for the preparation and distribution of this material.

#### Slogan Is Adopted

The slogan, "Insure Your Earnings, Protect All," which has been used for the past two years, was again adopted for the coming year.

Chairman Gordon was authorized to appoint a budget committee which will consider a possible revision of the schedule of contributions asked from companies writing accident and health insurance and report back at a meeting to be held probably in January.

#### Guests of Detroit Association

The members of the committee and other visitors were guests of the Detroit Accident & Health Association at a luncheon meeting. Kenneth O'Connor, Maccabees, president of the Detroit association, called on the visitors for two-minute talks. R. J. Long, Great Northern Life, reported on the progress that had been made in preparation for organizing new local associations in Michigan, with the ultimate objective of forming a state association. The committee members also were guests of the Standard Accident at a dinner.

#### AGENCY COMMITTEE MEETS

A meeting of the agency management committee of the Health & Accident Underwriters Conference was held in Detroit on call of Chairman E. H. Ferguson, Great Northern Life, to outline a program of activities leading up to the agency management session at the next annual meeting of the conference.

A definite program was outlined for the monthly bulletins on agency management, which have been issued for some months under the supervision of the committee. It was decided to prepare a qualification quiz for agents, based on the conference primer. Several other matters which were considered were referred to the executive committee of the conference, which meets in Chicago Oct. 2, for decision as to whether they properly come within the scope of the agency management committee's activities. That committee will also hold a meeting in Chicago Oct. 3.

### Hospitalization Is Making Real Stride

Regarding group hospitalization insurance as a natural complement to disability insurance and group life, I. S. Cook, assistant secretary group division Aetna Life, reports premiums for group hospitalization as not appreciably behind new group disability or new group life business.

Group hospital coverage is a natural complement to disability because combined benefits in respectable amounts can be provided for a reasonable contribution on the part of the employee. This package plan of selling hospitalization is very popular. Mr. Cook expects it to stimulate the growth of group business appreciably in future.

The Aetna Life group hospitalization covers such disability arising out of non-occupational accidents as well as sickness. Maternity benefits are included for periods not exceeding 14 days. In most states dependents of employed assured may be included in the coverage, but since this requires additional employee contribution, about 50 percent of their policies issued to date do not provide benefits for dependents. The field is rather new as the majority of the hospitalization group policies in the Aetna have been issued only within the last two years.

#### Salesman Gives Pointers

**R. H. Wieneke Presents Some Essentials That Always Accompany Successful Insurance**

Talking on "The insurance business as a means of making a living," R. H. Wieneke, assistant manager Union Central at Chicago, spoke to the Milwaukee Accident & Health Club.

"If you want something and study the means of securing it, you will find there is a definite price to be paid," he said, "and it applies to selling disability insurance." A study of accident and health selling proves one of the first requirements of the sales end of the business is to have an honest system of prospecting, he added. If an agent fails to expose himself to sales opportunities in sufficient number, he cannot expect to have a respectable volume of sales. After paying the price required to disclose a sufficient number of prospects, the agent must develop skill in presenting his subject, and should have the will to win.

#### Compares to Cost Accounting

He likened time control, the third requirement, to cost accounting. An adequate record must be kept of calls to determine whether sufficient time is being spent in the actual sales work to earn success. Many agents who think they are spending eight hours a day in their insurance business are really putting in only three hours work, the balance being used up in lost motion.

He cited the case of the agent who complained to an attorney friend that after a year and a half in the insurance business he was not making enough money. The friend's frank criticism was that he was making a reasonable income based upon the time he was devoting to the work and recommended that the agent take the 8 o'clock train to town instead of the 9 o'clock and that he wait for the 5:40 train in the evening, the hours in between to be given to more intense prospecting, more skillful presentation of his coverages to his prospects and a more careful study of results from records to be kept.

When the friend's advice was followed, added income came within a comparatively short time.

Mr. Wieneke was formerly with an

## Illinois Financial Responsibility

The law is tremendously increasing the number of insured automobiles. If you are not getting your share of this business it may be you need better rates or better service facilities.

For Open Territory write Paul W. Pickering, Secy.

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**ACCIDENT**

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Sell the public what it wants—

complete personal protection. You can build a good volume with the Federal

Life and Casualty's accident—health—life protection for both men and women and juvenile life for children. Territory open in 30 states.

**FEDERAL LIFE AND CASUALTY CO.**  
DETROIT - MICHIGAN

## 5-Points

- FINANCIAL STABILITY
- FULL PROTECTION
- PROMPT SERVICE
- AGENCY COOPERATION
- CONSERVATIVE MANAGEMENT

**Pennsylvania Casualty Company**—a financially solid and progressive company—affords these and other benefits. Agency opportunities in your territory. Write today for information.

## PENNSYLVANIA CASUALTY COMPANY

LANCASTER • PENNSYLVANIA

Assets \$1,226,480.00

agency that sold accident and health insurance.

### Mass. Accident Assured Notified of Rehabilitation

Commissioner Harrington of Massachusetts has addressed policyholders of Massachusetts Accident of Boston, in his capacity as receiver to rehabilitate that company. Although the plan for rehabilitation has not been completed, he said, in general, it is proposed that the non-cancellable policyholders, which comprise less than 14 percent of the company's assured, will be offered the right to accept a plan which will be prepared for their consideration. All other policyholders will receive full benefits provided by their present policies.

The rehabilitation program as contemplated, he said, will remove the financial hazard which has existed. All policyholders who take advantage of the program are assured that the results will assure a sound financial company. Pending the promulgation of the plan, Mr. Harrington will carry on the business of Massachusetts Accident without interruption and all policy obligations will be met in the usual manner.

State Senator E. S. Oppenheimer of Springfield, member of a prominent insurance family there, has been appointed special administrative assistant to handle affairs of Massachusetts Accident. The supreme court approved the appointment.

Mr. Oppenheimer, an insurance agent and broker for 17 years, has been a member of the legislative committee on insurance for three years. Two years ago he was chairman of a special recess commission which investigated failure of Commonwealth Mutual Liability of Boston.

### Canadian Views Hospitalization

H. M. Wolfenden of the bureau of economics of the Canadian Medical Association told the British Columbia Med-

ical Association in session at Vancouver that health insurance for urban residents could be made possible for from \$17.50 to \$22.50 per person per year, such insurance to provide all necessary hospital and medical care.

### Non-Profit Group Organized

DES MOINES—Commissioner Fischer has issued a certificate to the Hospital Service, Inc., of Iowa to sell hospital service to groups of employed workers. F. G. Lattner, superintendent Finley Hospital, Dubuque, for the past

11 years, has resigned to become executive secretary. At present the set-up includes seven hospitals in Des Moines, Cedar Rapids and Dubuque. It has the approval of the American Hospital Association. Later it is planned to include all hospitals in the state. Hospital service will be offered at 75 cents for each individual and \$1.50 for family coverage. The insured will be entitled to 21 days hospital service and maternity service is possible after the first year. The plan does not cover medical or surgical services.

## FIDELITY AND SURETY

### New Blanket Bond for Reserve Banks

NEW YORK—The Surety Association of America has broadened its bankers blanket bond for federal reserve banks, calling the new form No. 6 Revised. This form is similar in makeup to the other bankers blanket bonds, but to the four usual insuring clauses of fidelity, coverage on the premises, coverage in transit and forgery, the new form adds two other insuring clauses, covering loss by delivery to the assured of any lost or stolen property and through any other form of fraud or dishonesty and loss through the assured's guaranteeing or witnessing signatures on transfers, assignments, bills of sale, powers of attorney, guarantees, endorsements and other documents connected with certificates of stock and other securities.

### New Form Is Broader

The new bond covers all offices and branches of the assured and the definitions of property and of employees have been enlarged considerably. The fidelity section includes "fraudulent" acts as well as "dishonest or criminal acts," and the premises insuring clause has been broadened to include mysterious disappearance, damage and riot and civil commotion. Loss of subscription, conversion or deposit privileges through misplacement, damage or destruction of interim certificates, warrants, rights or other securities are also covered and the territorial limits have been broadened to include the United States and Canada. The old form No. 6 covered in the United States only. Damage to the premises, except by fire, as a result of burglary, robbery or attempt at these crimes is also covered.

### Broader Transit, Forgery Cover

Cover in transit has been broadened to include disappearance, damage and riot and civil commotion and also loss of subscription, conversion or deposit privileges and the territory now includes the United States, Canada and the territorial limits of any other country in which the insured bank has an office. Property in the custody of an armored car company is covered.

Material changes have been made in the forgery section. Fraudulent falsification of financial statements is specifically included as forgery and also cases where a person signs his own name without authority, fraudulently purporting to sign in a representative capacity. Receipt of counterfeit money is now covered under this section, with a \$100 deductible. Loss in connection with each counterfeit note is considered to be a distinct loss, except where two or more counterfeit notes of the same denomination and the same design, except numbers, are received by the assured in one package or bundle of packages. The bond also now

covers attorney's fees and other litigation expenses in connection with actions against the insured bank accounts of a loss covered by the bond.

### Will Have Large Bond

NEW YORK—The department of public works will on September 28 open bids for furnishing labor and material for the construction of the intended new criminal court building here; the aggregate cost of which is estimated at approximately \$5,000,000, the time allowed for completion being June 15, 1941. Specifications have been divided into five classes, separate bids being called for each. Performance bond, including liability for labor and material up to 100 percent of the contract figure, must be furnished. The rate for the contract covering general construction work has been set by the Towner Rating Bureau at \$8 for the first \$2,500,000; \$7.66 for the next \$2,500,000; \$7.33 for the third \$2,500,000, and \$6.66 for each thousand over \$7,500,000.

### Lewis Reports Good Results

BOSTON—The fidelity and surety business was discussed by M. W. Lewis, president Towner Rating Bureau, before

We give you the benefit of Experienced Co-Operation and Service in handling

## GROUP DISABILITY and HOSPITALIZATION

For information address Group Department



**NATIONAL CASUALTY COMPANY**

W. G. Curtis, President

Home Office

Majestic Building, Detroit, Michigan

## AMERICAN RE-INSURANCE CO.

Robert C. Ream, President

99 John Street New York

DECEMBER 31st, 1938

CAPITAL .....	\$ 2,000,000.00
Surplus .....	4,547,336.93
Voluntary Catastrophe Reserve .....	500,000.00
Reserve for Losses .....	4,574,742.68
All Other Liabilities .....	2,129,434.74
<b>TOTAL ADMITTED ASSETS .....</b>	<b>13,751,516.35</b>

NOTE: Securities carried at \$364,875.00 in the above statement are deposited as required by law.

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the Surety Underwriters Association of Massachusetts. He claimed fine results had been secured through cooperation

with the American Bankers Association, New York Stock Exchange and various departments of the federal government.

## NEWS OF CASUALTY ASSOCIATIONS

### Cincinnati Association Elects Roelle President

New officers of the Cincinnati Casualty & Surety Association are F. J. Roelle, Fidelity & Deposit, president; A. M. O'Connell, Eureka-Security Agency, first vice-president; C. H. Sanders, American Automobile, second vice-president; J. C. Welch, A. W. Shell & Co., secretary-treasurer. In addition to the officers, trustees include E. R. Buss, Jr.; Gustav May; G. H. Tow, Standard Accident; E. A. Russell, Employers Liability; E. H. Schier, American Surety. Mr. Tow is chairman of the executive committee, which includes Mr. Russell and Mr. Buss.

Mr. Roelle has been with the Fidelity & Deposit his entire business life, starting at the home office 15 years ago. He was appointed manager at Cincinnati in 1929 after serving as assistant to P. M. Millikin, manager there for many years. He is a past president of the Ohio Association of Casualty & Surety Managers and was first vice-president of the Cincinnati association last year. Mr. Roelle is a native of Bucyrus, O., and attended Wittenberg college, West Point, and Harvard University.

### Announce Speakers for Lectures

Speakers scheduled to give the fidelity and surety lectures sponsored by the Surety Underwriters Association of Northern California have been announced by H. G. Sheehy, president.

They are: Harold Bishop, Hartford Accident, "Difference Between Insurance and Fidelity Bonds"; Al Fuller, National Surety, "Fidelity Sales Arguments"; F. J. Butcher, Fireman's Fund, "Fidelity Sales Demonstrations," and Ernest Swingley, Columbia Casualty, "The Production and Sale of Surety Bonds."

Object of the lectures, which start

Oct. 2, is to stimulate interest and sales of fidelity bonds.

### Plan Golf Party for Sept. 29

DETROIT—The Surety Association of Michigan will hold a golf tournament and outing at Red Run Golf Club near Royal Oak on Sept. 29. There will be a dinner in the evening. Arrangements are being made by E. W. Miller, Jr., assistant manager, Globe Indemnity, chairman entertainment committee.

### Owens Named as President

DES MOINES—J. R. Owens, special agent Fidelity & Deposit, was elected president of the local Casualty & Surety club. He succeeds C. Moriarty of U. S. F. & G. First vice-president is H. Nixon, American Casualty, second vice-president, D. W. Barnes, U. S. F. & G. Henry Haynes, Underwriters Review, was re-elected as secretary.

### Grandy Heads Sioux City Group

The Sioux City, Ia., Fire & Casualty Underwriters Association elected W. F. Grandy, Jr., president; E. W. Colvin, Jr., vice-president; J. P. O'Donnell, secretary-treasurer, and the executive committee are W. C. Wolle, Watt Wooldridge, and Franklin Britton.

### Knox Is New President

PORTLAND—Oregon Casualty Adjusters Association heard L. D. Clute discuss traffic problems. Death of Harry Walwyn last summer occasioned election of a new group of officers. Harlan Knox, Associated Indemnity, is the new president; R. L. Gresham, Fireman's Fund, vice-president; and W. A. Brooks, Oregon Automobile, secretary-treasurer.

## CASUALTY PERSONALS

Lew H. Webb, of Conkling, Price & Webb, of Chicago, will leave by plane for Boston next Tuesday morning to attend the annual meeting of the National Association of Insurance Agents. From there he will go to New York to spend a couple days in the London Guarantee & Accident's home office, and then to White Sulphur Springs for the annual meeting of the National Association of Casualty and Surety Agents; he being a member of the executive committee. Mr. Webb has been active in insurance circles for many years and is at present a director of the Chicago Insurance Agents' Association and chairman of the casualty section of the insurance subdivision of the Chicago Association of Commerce.

J. J. Nangle, vice-president and general manager Utilities of St. Louis, told the Executive Club there of his experiences in Ireland, Scotland and England to take depositions in connection with an estate. Mr. Nangle, an attorney, was appointed a special master of the circuit court for the purpose. He returned on the "Queen Mary" after war was declared.

Arthur H. Stofft, associate manager at the U. S. head office of Ocean Accident, returned to New York last week after spending several weeks traveling with middle western field men out of the Chicago office.

Howard E. Decker, assistant superintendent of agents of Standard Accident, is on a two weeks' trip through Kentucky.

S. A. Bishop, cashier Travelers Indi-

anapolis branch, was felicitated on completing 20 years with the company. He spent three years in the 55 John street office, New York, going to Indianapolis 17 years ago.

J. C. Ellsworth, 92-year old agent of the Fidelity & Casualty in Fowlerville, Mich., died. He was said to be the oldest active casualty agent in the state.

In appreciation of his 25 years service with Aetna Casualty, J. J. Sullivan, agency assistant at the head office in Hartford, was honor guest at a dinner tendered by the casualty agency department. He was presented with a fully equipped traveling bag, several pipes, baskets of flowers and many congratulatory messages. Vice-president C. G. Hallowell, Agency Secretary E. C. Knapp and Field Supervisor L. B. Fowler spoke.

### Offer War Risk Accident Policy

London Lloyds has made available in this country war risk accident insurance covering passengers on neutral vessels only for the duration of the voyage. This provides only principal sum. The policy was brought out to cover the gap left by voiding of regular accident policies on exposure to war risks due to the regular exclusion. Many firms have officials and employees who must care for business interests abroad. It was found they felt responsibility for sending men into danger zones at such a time, and that there was a moral obligation of firms to insure such personnel for adequate amounts. Limits of \$25,000 to \$50,000 readily can be secured and pos-

### W. T. Grant Very Ill at Kansas City

ST. LOUIS, MO.—Col. C. B. Robbins of Chicago manager American Life Convention in extending greetings to the National Association of Life Underwriters at its annual meeting, expressed fear that W. T. Grant may be unable to attend the A.L.C. annual meeting in Chicago next week. Mr. Grant, president of Business Mens Assurance and president of the American Life Convention, is seriously ill Col. Robbins reported.

sibly more if needed. It is said the policy would cover while on trans-Atlantic airplane flights as well.

### Retain Liquor Cover Discount

Action has been taken by London Lloyds continuing indefinitely the 20 percent premium rate discount on liquor dealers and tavern associations. This discount was ordered abolished July 11, but the effective date was extended to Sept. 1, then later to Oct. 1.

### Ottumwa Bank Shortage

OTTUMWA, IA.—Disclosure of an \$188,125 embezzlement from the Union Bank & Trust Company of Ottumwa was made public following a federal grand jury indictment and arrest of Miss Adah L. Connelly, former teller in the savings department.

The shortage was alleged to have been discovered three years ago but was paid in full by a prominent Ottumwa family. No knowledge of the alleged shortage was made public until the federal indictment was returned. The Fidelity & Deposit had the fidelity bond on the bank but was not required to cover any of the shortage.

### Kentucky Home in New Field

Kentucky Home Mutual Life of Louisville is entering the accident and health field and has appointed Paul Sawyer, formerly of Continental Casualty as superintendent of that department. Mr. Sawyer is a well qualified man. He was at one time head of the accident department of the Zurich at Chicago.

### To Honor Coldwell

Hugh Coldwell, Wichita state agent Commercial Union Group, was high field man in obtaining new members for the Kansas Association of Insurance Agents for the past year. He will receive appropriate recognition at the Kansas Association Convention in Topeka, Oct. 18-20. As a result of the support of the Kansas field men, the Kansas Association ended the year with a membership of 423, a gain of 87. This is the largest membership in several years.

E. L. Dawson, executive chairman Nebraska Association of Insurance Agents, was named delegate to the National Association of Insurance Agents convention at Boston. The committee voted to hold the Nebraska midyear meeting at Norfolk, Dec. 7.

John J. O'Toole, president Insurance Board of St. Louis, has appointed a new finance committee, of which O. D. Prowell, of Capen & Co., is chairman. In a letter to members Mr. O'Toole praised work of the Insurance Institute of Missouri and said its courses are not being properly attended. Members should do all possible to increase the institute classes, he said.

Employers Mutual Liability of Wausau, Wis., has opened a branch office in the Johnston building at Charlotte, N. C. C. E. Whisman, formerly of Kansas City, is manager.

### According to PHIL

By Phil Bramiff  
Insurers Indemnity & Insurance Co., Tulsa



Of all the evil influences which might affect a man at a time of important judgment, hatred is unquestionably the most detrimental to the intelligence of his solution. Hatred is a venom. It is fatal. There is no antidote. It might generate from fear or from ego—from conceit or from complex—but once it enters the blood stream, it destroys all sense of fairness. Hatred has wrecked more lives than disease. I'm not giving you a brotherly love talk. I know a lot of people whose teeth I'd like to kick in—and I've had to pick shoe leather out of my own teeth—that's just part of the milk route. What I'm talking about is really hating people. You know, a fellow can get to where he hates someone so much that it becomes an obsession. He can become so engrossed in his hatred that he goes to a lot of time and trouble in encouraging other people to hate someone and the net result is a lot of lost time, indigestion, and loss of other peoples' respect.

You can't make everybody like you. A normal man in business is going to have a lot of people dislike him. That's natural. And right here is a good place for me to remind myself that over-extension of credit is a great way to make enemies. You let a man owe you too long and the first thing you know he's dodging you because he can't pay. Then he excuses himself by getting to believe that he never did like you. Then you get persistent (too late), and he gets mad and there you are.

Deep hatred is rarely founded on fact. Misunderstandings which could have been straightened out, are usually to blame.

"Getting even" with someone who hurt your feelings or who did you an injury, is a serious mistake. Don't kid yourself that it's a matter of honor—just let him alone unless at the moment you forget and take a poke at his schnozle. Anyhow, it's foolish to waste time indulging in hating someone. "We are all brothers under the skin"—under each other's skin mostly.

PHIL.

### NEWS BRIEFS

R. M. Carson of Glens Falls, N. Y., president New York State Association of Local Agents, has called a meeting of its executive committee at the Statler Hotel in Boston next Tuesday morning.

John G. Goetz, managing director Risk Research Institute, of New York City, who has been at Doctors Hospital, New York City, on account of a fractured ankle, expects to return to his desk early next week.

Oleyn, Ill., will be inspected Oct. 19 by the Illinois State Fire Prevention Association. J. Burr Taylor, Western Actuarial Bureau, will speak at the evening meeting before civic groups.

J. A. Klinkenberg, state agent Phoenix of Hartford, and Elmer Bezeley, and A. E. Smoll, prominent Wichita agents, returned from a week's antelope hunt on the Jonas brothers ranch about 70 miles northwest of Rawlins, Wyo. There were six in the hunting party and each bagged his buck antelope during their stay.

D. E. Seger, president, and all other officers of the Waterloo (Ia.) Association of Insurance Agents were reelected at the annual meeting.

S. T. Woodward, head of Woodward-Crowder-Carruth Agency of Tampa, Fla., died Sunday. He had been in bad health for some time. He was about 70 years of age. He was a former chief of the Tampa fire department.

J. H. Palmer has sold his insurance agency at Wilmot, O., to R. H. Miller.



# FIRE INSURANCE NEWS BY STATES

## MIDDLE WESTERN STATES

### Mortenson Denied a Hearing by Senate

MADISON, WIS.—The Wisconsin senate refused to hear former Commissioner Mortenson in connection with a bill which in effect would exclude the State Farm Mutual Automobile of Bloomington, Ill., from operating in Wisconsin. Senator Kresky presented a motion that the senate resolve itself into a committee of the whole to permit Mr. Mortenson to appear and present some of the history back of the bill. Senator Kresky said, "I want to know whether it is true that a license was issued by Mr. Mortenson to the company as a result of a promise that he would get a lucrative job as its state director." Senator Kresky said that he believed that it is a malicious, untrue charge. The senate voted 15 to 12 against hearing Mr. Mortenson.

The issue arises over the question as to putting up reserves on policy fees. Attorney Russell Mathias of Ekern & Meyers law firm of Chicago has been in Madison for some time endeavoring to straighten the matter out. His firm is attorney for the Bloomington company.

### Board Completes Plans for School

CLEVELAND — The Insurance Board has completed plans for courses leading up to examinations by the Insurance Institute of America. These were formerly conducted by the Insurance Society of Cleveland, which last spring became a board department.

Three courses will be offered during the 1939-40 season, fire, suretyship, and inland marine, lasting approximately 25 weeks. Registration takes place on October 9. The fee is \$10 per course with registration for each limited to 15 persons.

Vincent DeMello, Ohio Inspection Bureau, will conduct the fire course; Gerald DeMarinis, Fidelity & Casualty, suretyship; H. H. Howarth, McGee & Co., inland marine.

### Independent Fire Board Elects

CLEVELAND — New officers of the Board of Independent Fire Underwriters of Cuyahoga County are E. A. Strauss, E. A. Strauss agency, president; C. B. Aldridge, C. B. Aldridge agency, vice-president; A. C. Meyers, Universal Underwriters & Agency, Inc., treasurer; and Gardner Graydon, Graydon-Kuhles Co., secretary. These officers and L. H. Fletcher, Leonard H. Fletcher Insurance Agency; T. H. Wilkinson, Wilkinson-Ream Insurance Service; and E. A. Vetter, Vetter, Henne Insurance Agency, compose the board of trustees. R. C. Hyre, Cleveland attorney, was reappointed executive manager.

The name of the organization was changed to the Cuyahoga County Board of Underwriters. It was decided to broaden the membership to admit fire, marine, casualty and surety agents. In addition to the active and associate memberships, it was voted to offer sustaining memberships to any person, firm or corporation, of good repute, acting as solicitor or sub-agent for any active member of the board, upon recommendation of the board of trustees.

Such sustaining members would be

elected into the board by vote of a majority of the active membership at any regular or special meeting. They shall have certain rights and privileges but will not vote, hold office, or attend executive business sessions of the board.

### Minnesota Agents to Push Public Relations Work

ST. PAUL—Following up the emphasis placed on the need of public relations at the annual meeting of the Minnesota Association of Insurance Agents at Brainerd, the executive committee meeting in St. Paul established a public relations committee headed by Harry Reynolds of Duluth. This will be a major activity of the association the coming year.

Another major project will be a campaign to increase automobile coverage in Minnesota. Less than 30 percent of the motorists in the state now carry liability and property damage insurance. Ward Senn of Minneapolis was named chairman of the committee to direct this campaign as well as the public safety program.

Other committee chairmen named were: Membership, Roy Engberg, St. Paul; legislation, Lee Sanford, vice-

president Marsh & McLennan, Minneapolis; finance, L. E. Hatlestad, D. C. Bell Investment Co., Minneapolis; rural agents, Francis McGovern, Rochester; new conference committee, J. M. Hannaford, Jr., St. Paul business development, E. F. Westrum, Albert Lea; publicity, F. S. Preston, Minneapolis.

President H. A. Levant, A. A. Hirman, Rochester, and Mr. Preston were named delegates to the Boston convention.

### Committee Chairmen Announced

V. G. Henry, president Wichita Insurers has announced the following committee chairmen: Executive, Elmer Beezley, Beezley, Webb & Outland; auto finance, D. T. Stover, Harris, Burns & Co.; by-laws, C. K. Foote; civic, Elwood Smoll; educational, B. J. Weldon, Dulane, Johnston & Priest; Fire prevention, Robert Israel, Jr.; grievance, L. J. Webb, Beezley, Webb & Outland; insurance, J. C. Kelly, Wheeler, Kelly & Hagny; public safety, C. M. Andrews, Monarch Investment Co.; program and meetings, C. Harrison, Dulane, Johnston & Priest; publicity, E. B. Fergus and C. J. Slawson; public relations, J. H. Burns, Jr., Harrison, Burns & Co.; speakers bureau, Dwight Smith, Smith Stone & Snider.

Thirty-eight member agencies compose the Wichita Insurers, who are making an intensive campaign to secure the 1940 mid-year meeting of the Na-

tional Association of Insurance Agents. F. T. Priest, former member of the executive committee of the National association, heads the committee.

### Minnesota Agents Chairmen

MINNEAPOLIS—Under the new setup of the Minnesota Association of Insurance Agents, 14 district chairmen take the place of the regional vice-presidents under the old system. The newly appointed chairmen are: Minneapolis district, J. W. Roche, Robbinsdale; Winona, D. L. Mills, Lake City; Owatonna, R. H. Ostrander, Albert Lea; Worthington, Bradford Strom, Jackson; New Ulm, Howard Williams, Mankato; Monticello, M. W. Sutfin, Benson; St. Cloud, G. W. Odell, Willmar; Brainerd, W. M. Opsahl, Brainerd; Bemidji, George Wurstein, Thief River Falls; Hibbing, William Knutson, Hibbing; Duluth, R. T. Lundberg, Duluth; Milaca, N. K. Nelson, Pine City; St. Paul, A. W. Harris, St. Paul; Fergus Falls, G. R. Teeson, Alexandria.

### Mo. Department Recommendation

JEFFERSON CITY, MO.—F. E. Murphy, acting chief clerk in a communication to the Insurance Board of St. Louis pointed out since there is in existence a committee of the Associated Fire Insurance Agents & Brokers, St. Louis Association of Insurance Brokers and Insurance Board of St. Louis for the purpose of passing on qualifications of applicants for brokers' licenses, the members should submit their applications to the committee for action, thereby saving time for both the applicant and the department. All applications which do not bear the joint committee's approval will be held by the department. He also warned that the department has evidence its ruling not to pay a commission to a broker without having on file a duplicate of his license is not being observed in some instances.

### Ohio Department's Report Issued

The Ohio division of insurance has just issued its report for 1938, which shows that it received \$6,881,245 in franchise and fire marshal taxes, and fees. Expenditures were \$137,194 of which \$108,722 was for personal services and \$28,472 for maintenance. As of June 26, 1939, there was on deposit in the state treasury for the benefit and security of policyholders of various insurance companies bonds having a total par value of \$16,126,955.

### Bilked by Label "Salesman"

Columbus, O., insurance men have notified the Better Business Bureau that recently they gave and paid for orders for policy labels to a man who said he represented a label company in Chicago, but had not received them. Investigation revealed that there is no label company in Chicago bearing the name given by the stranger.

### Sparks New Rockford Chief

Allen Sparks of the Sparks & Sparks agency, Rockford, Ill., was elected president of the Rockford Board of Fire, Casualty & Surety Underwriters at the annual meeting. The other new officers are: Vice-president, William Carrico of Carrico & Wilgus agency; secretary, K. A. Groff, reelected, and treasurer, L. H. Shannon.

### Have \$100,000 Loss in Detroit

DETROIT—A five-alarm fire in downtown Detroit completely destroyed a four-story building at 432 West Jefferson avenue, owned by S. D. Wight

## New Officers of Michigan Agents Unit

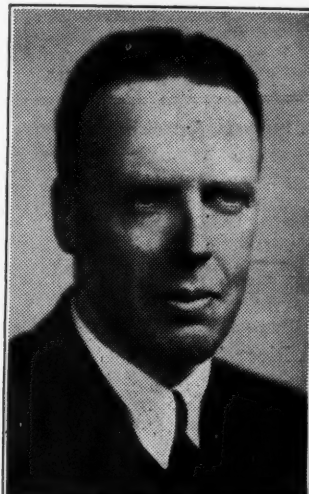


DAVID A. FORBES

David A. Forbes of Grand Rapids, who was elected vice-president of the Michigan Association of Insurance Agents at the annual meeting in Saginaw, had served as treasurer for the past year. He is connected with the Forbes & Belknap agency of Grand Rapids. He graduated from the University of Michigan in 1921 and went into partnership with John H. Belknap upon graduation. He served as president of the Grand Rapids Association of Insurance Agents in 1936-7 and in 1938 became a member of the governing committee of the Michigan association.

Guy M. Cox of Iron River is the new treasurer of the Michigan organization. Mr. Cox has been active in the state association and is one of the leaders in the upper peninsula in not only insurance but in affairs generally. He is a past president of the Upper Peninsula Association of Insurance Agents.

The 1940 meeting of the Michigan Association of Insurance Agents probably will be held in Detroit. W. A. Doyle is really a Detroit man, his office being in High-



GUY M. COX

land Park which is, for all practical purposes, a part of Detroit. Wherever possible it has been the custom for the Michigan association to hold its annual meeting in the city where its president lives. An urgent invitation to make Detroit the 1940 meeting place was extended at last week's annual meeting by Henry W. Peacock, president of the Detroit Association of Insurance Agents. The only other invitation was from Port Huron. The last time the annual meeting of the Michigan association was held in Detroit was in 1929.

At the concluding session of the annual meeting retiring President Martin Mullally of Muskegon was presented with a handsome wrist watch. Mr. Mullally served two terms as president of the Michigan association, during which time he popularized himself with the agents and gave a great deal of his time to association work. Under his administration the Michigan association made forward strides, there was a quickening of interest, and a noticeable increase in membership.



and Lillian Lathrop, occupied by the Gilsam Wall Paper Co., and damaged three adjoining buildings. Actual damage will run about \$100,000. Insurance on the destroyed building was: Building \$12,000, divided equally between Phoenix of Connecticut and Eagle Star. Stock, \$15,000, Northwestern National \$10,000; Eagle Star \$7,000; Phoenix of Connecticut \$5,000 and St. Paul F. & M. \$3,000.

#### Plan for Toledo Demonstration

TOLEDO, O.—Preparations of the fire prevention committee of the Toledo (Ohio) Chamber of Commerce for observance of Fire Prevention Week include the ordering of 1,300 posters, 5,000 stickers, and 1,000 booklets to be distributed. W. H. Comte, chairman announced. A large sign, to be erected on a downtown corner, will tabulate the number of fire alarms in the week, and exhibits will be set up in downtown store windows. There will be a public exhibition of the fire department's drill school, and open house at all fire engine houses the evening of Oct. 10.

#### Fire Prevention Plans Launched

J. G. Updegraff, vice-president Kansas Fire Prevention Association, reports plans well under way for a most extensive statewide fire prevention week observance. Some thirty cities enrolled in the contest of the National Fire Waste Council are being personally contacted under the direction of V. B. Steenrod, district chairman. Other important towns are handled, through a separate committee headed by C. E. Stiehl. The Fire Marshall's Department is cooperating by furnishing posters and supplies to all fire chiefs. The state superintendent of public instruction has sent bulletins and a fire prevention manual to all rural schools. Parochial schools are also participating. The eighteen junior chambers of commerce are active under the direction of state president D. K. Zimmerman, prominent Insurance Agent of Liberal. Members of the Kansas Association of Insurance Agents have been bulletined by Secretary Wade Patton.

#### Youngstown School Is Split

YOUNGSTOWN, O.—Fifty-six agencies have divided the \$619,500 school fire insurance of the board of education on a pro-rata basis worked out by the Youngstown Association of Insurance Agents. The amount of insurance is \$53,200 less than the last policy, because of the razing of buildings and sale of some buildings previously covered. Fire and theft insurance on school busses totaling \$4,800 was awarded to George E. McNab & Son.

#### Milwaukee Women to Meet

Activities for the fall term of the Insurance Women's Club of Milwaukee will begin with a dinner meeting at the Cudworth Post, American Legion, Oct. 2, at which time C. R. James, special agent for the Aetna Fire, will be the guest speaker. New chairmen for the year have been announced by the president, Miss Gertrude A. Franzen, and are as follows:

Program, Theresa Kavel; publicity, Ella Frankenstein and Marie Franzen; dinners, Edna Siegel; music, Mrs. Ruth Elsnor Lowe; glee club, Celia Volz; sunshine, Anne Spielman; membership, Lucille McDermott.

The club has accomplished much for both girls experienced in insurance, finding the right jobs for them, and also in supplying insurance offices with the proper person for their particular needs. All women employed in insurance offices are eligible.

#### Kidd Heads Minnesota Mutuals

At the annual meeting of the Minnesota Association of Mutual Insurance Companies at St. Paul the following officers were elected.

President, James E. Kidd, Implement Mutual, Owatonna; vice-president, Hjalmar L. Hjermstad, Citizens Fund Mutual, Red Wing; secretary, A. J. Dahl-

### Experienced Auto Man Is on Illinois Program



R. I. CATLIN

One of the principal speakers at the annual meeting of the Illinois Association of Insurance Agents at Springfield, Nov. 8-9, will be R. I. Catlin, vice-president of the Aetna Casualty & Surety, who has appeared on the program at many conventions. Mr. Catlin will speak the afternoon of Nov. 8 on "Automobile Insurance and Sales." This is a subject on which he is an authority, as he worked up through the ranks and had much experience with the line. He is a director of the National Safety Council, keenly interested in all safety work and has served on the Connecticut highway safety commission. He has given much study to refinements of automobile coverage. Mr. Catlin has appeared frequently before the agents and is much interested in their affairs.

strom, Minneapolis; directors, James E. Kidd, Minnesota Implement Mutual, Owatonna; E. H. Moreland, Tri-State Mutual, Luverne; Mr. Hjermstad, S. T. Sager, Austin Mutual, Minneapolis; A. J. Dahlstrom, Minneapolis.

Mr. Hjermstad was elected as director to represent the Minnesota association on the board of directors of the National Association of Mutual Insurance Companies.

#### North River for Marine

In the story regarding the companies represented by the Morrison & Kountze General Agency at Omaha, the North River was mentioned. The firm represents the company through Appleton & Cox of New York for marine insurance only. The firm has nothing to do with fire or other lines outside of marine.

#### Fleming Speaks in Toledo

TOLEDO, O.—T. A. Fleming of the National Fire Protection Association was principal speaker at a meeting of the Toledo Association of Insurance Agents. Members of the fire prevention committee of the Toledo Chamber of Commerce were special guests.

#### Pa. Department Appointments

HARRISBURG, PA.—Appointments to vacancies in the Pennsylvania department were announced: L. M. Webster, Drexel Hill, chief life actuary; T. L. Paul, Philadelphia; C. G. Sullivan, Lock Haven, and H. E. Koeberle, Philadelphia, examiners.

#### Form South Milwaukee Board

SOUTH MILWAUKEE, WIS.—The South Milwaukee Board of Fire & Casualty Underwriters has been organized here as a nonprofit corporation for the promotion of better practices in the insurance business. Incorporators are R. M. Mantey, C. J. O'Brien, J. C. Barth,

Eugene Grobschmidt and Matthew Potter.

#### Insurance Club Has Outing

PITTSBURGH—A golf tournament and dinner was held by the Insurance Club of Pittsburgh at the Shannopin Country Club. H. W. Schmidt and A. C. Supplee, U. S. F. & G. were in charge of arrangements.

#### Keweenaw, Ill., Outing Oct. 5

The Keweenaw (Ill.) Board will hold its field day there Oct. 5. All persons who attended the field day recently of the Rock Island Board are invited to be present.

#### Quincy, Ill., Board Picnic

The annual picnic of the Quincy, Ill., Board of Underwriters is being held Oct. 11. Invitations are extended to all company executives, representatives and all others interested in insurance. V. G. Musselman, who is in charge of the affair, reports that the golf course is in excellent shape and that some interesting presents and prizes will be awarded.

#### NEWS BRIEFS

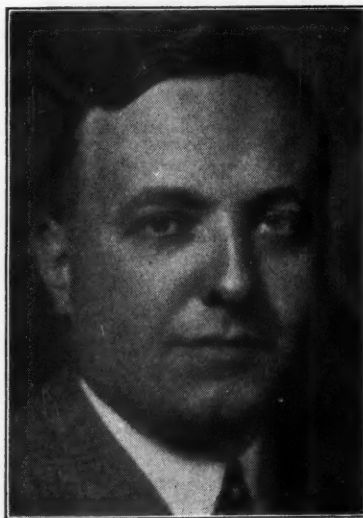
About 200 Minnesota and North Dakota agents of the Northwest Underwriters, general agents for the General and First National of Seattle, are to meet in Minneapolis Oct. 4. President H. K. Dent and Felix Kurz, executive vice-president, are expected from Seattle.

H. Thompson Stock of the A. J. Stock agency, Detroit, is offering a fire insurance course by correspondence for agents who wish to know more about insurance and for those who want to pass state examinations for agents' licenses. He is a lecturer on insurance at Wayne University and is treasurer and chairman of the publicity and education committee of the Detroit Association of Insurance Agents.

State Fire Marshall Davis reported Nebraska fire losses for August at slightly over \$200,000, about the same as July and August of last year, \$154,470 being on buildings and \$45,717 on contents. Only one out of three automobiles burned was insured.

The judiciary and finance committee of the Milwaukee common council requested the city real estate department to obtain cost estimates of fire insurance on nearly 50 small homes acquired by the city because of tax delinquency on

### Again at the Helm



VAL GOTTSCHALK

Val Gottschalk, head of the Gottschalk Agency in Milwaukee, has been again nominated for president of the Milwaukee Board. He served with distinction and naturally the brethren are maintaining him in office. The annual meeting will be in October.

the part of the former owners who abandoned them. With more falling into city control, a program of repairing and maintaining is being worked out. Some buildings are said not to be worth insuring and will be torn down.

The Madison, Wis., insurance board is cooperating with Madison and Wisconsin Foundation and fire department officials in arranging a program for observance of fire prevention week next month. Speakers will be supplied for club meetings and other gatherings.

H. F. Kling of Centerburg, O., and C. L. Reichelderfer of Columbus have filed suits in the common pleas court to compel Superintendent J. A. Lloyd to renew their licenses, which the department refused to do.

The Wichita Insurers held a discussion of the new rate filings effective Sept. 5, including new dwelling, farm and automobile schedules. E. B. Fergus, Branch Manager Kansas Inspection Bureau, was chairman. President V. G. Henry presided. Robert Israel, Jr., chairman fire prevention committee, outlined plans for fire prevention week.

New officers of the Flint (Mich.) Association of Insurance Agents are R. A. Gillespie, president; Walter Mooney, vice-president, and Claude Hommes, secretary-treasurer.

R. J. O'Brien, St. Louis, head of the general insurance agency bearing his name, suffered a fractured leg recently when he tripped and fell while going down a flight of stairs while visiting the plant of one of his clients.

The Aetna Casualty & Surety at Minneapolis will sponsor the first fall meeting of the Insurance Club of Minneapolis to be held Oct. 9 at the Athletic club.

Articles of incorporation were filed at Lansing, Mich., during the past week for two Detroit agency organizations. Conservative Underwriters, Inc., with offices in the David Stott building, was incorporated by John C. Emery (not the commissioner whose middle initial is G.) with authorized capitalization of \$50,000. The Huron Agency, with offices at 1336 Dime Bank building, has authorized capital structure of 100 non-par shares and incorporators are: G. J. Callam, J. F. Wilson, and R. T. Adams, all of Detroit.

It is reported that a private organization to be known as the Michigan Electrical Inspection Bureau has been formed to make inspections outside of incorporated areas. Some 75 electrical engineers and inspectors formed the nonprofit association at a meeting in Lansing.

Bay City, Mich. municipal officials are looking forward to a reduction in fire rates on the basis of an inspection by National Board engineers, scheduled to start this week. J. H. Nelson, city manager, and Chief H. C. Crumb of the fire department say the fire-fighting facilities have been notably improved since the last complete report made by the board in 1930. Losses have been greatly reduced, particularly on a per capita basis in the past five years.

E. R. Sullivan of Fayette has taken over the insurance agency of his father, F. T. Sullivan, who died recently.

P. O. Hatch of Bellefontaine, O., has taken over the agency of the late R. E. Fisher.

Because of the illness of J. L. Newcomer at Edgerton, O., his insurance agency has been taken over by his wife, Mrs. C. M. Newcomer.

The interests of J. C. Chamberlin and C. W. Grove in the City Insurance Service, East Palestine, O., have been sold to J. S. McCammon.

The insurance agency of D. E. Bailey, Jamestown, O., who died recently, has been taken over by his daughter, Mrs. Lucille Bailey Coe.

W. J. Locke of the Slough, Locke, Powell Agency at Mansfield, O., is a candidate for mayor on the Republican ticket.

Because of ill health, C. E. Maxwell of Defiance, O., has taken his brother, W. H. Maxwell, into the agency with him. The concern will be known as the C. E. Maxwell Insurance Agency.

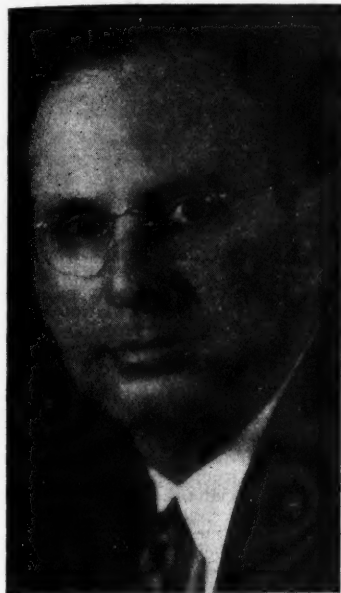
The T. M. Linn Insurance Agency at Zanesville, O., has been incorporated. T. M. Linn is president; P. A. Kern, secretary; G. W. Atkins, vice-president, and N. F. Hart, assistant secretary.



## IN THE SOUTHERN STATES

### Mallinson Is New Dallas President

DALLAS—Fred Mallinson was elected president of the Dallas Insurance Agents Association at its annual meeting. C. R. Tucker, presi-



FRED MALLINSON

dent I. Reinhardt & Son, and Fred S. Jernigan, Andrews-McDowell Company, were chosen vice-presidents; W. R. Moore, Munger & Moore, secretary-treasurer and Alfonso Johnson reelected manager. New members of the board are: E. G. Dean, Tom P. Ellis, J. L. Hanway, Paul Kirkpatrick, D. D. McCain, G. W. McCormick, W. C. Miller and Crugar T. Smith.

#### Membership is at High Point

Membership of the Dallas association has reached its highest point, 99 firm members, representing nearly 500 local fire and casualty agents and solicitors, Paul Kirkpatrick, retiring president, announced in his annual report. He credited the growth from 23 firm members in 1930 to "always considering first the public's welfare, since we bear the same relationship to our assured in all insurance matters as the lawyer bears to his clients in legal matters."

The association's office has become generally recognized as the first-aid station for the public as well as for the local agents and the capital stock fire and casualty companies, Mr. Kirkpatrick said, as he recited the many services rendered.

### Texas Rate Study Is Concluded

A special committee of the Texas house inquiring into insurance rate making apparently has concluded its study and will meet again Oct. 20 to draft its report for submission to the next session of the legislature.

Most of the committee's inquiry was devoted to fire rates, while it briefly surveyed casualty and workmen's compensation without conducting an intensive study. R. G. Waters, casualty commissioner, was the final witness, summarizing workmen's compensation and casualty rate revisions to become effective Oct. 1.

George Van Fleet, department actuary, briefly outlined operations of the new regulatory act affecting reciprocals, which does not become fully effective until December, 1941. He reported about

half of the companies had begun to comply with the new act.

The committee did not undertake a study of practices of automobile finance companies with relation to placing insurance on mortgaged cars, as suggested by J. M. Heflin, a member. There was doubt the resolution creating the committee authorized it to inquire into that phase.

Heflin said there were reports some finance companies offered lower interest rates to customers if insurance was placed with a specified carrier. He wanted a series of hearings in Houston, Dallas and perhaps other cities to ascertain if malpractices were occurring.

### Plight of Tobacco Growers

#### Closing Warehouses in Important North Carolina Centers Presents Serious Situation

NEW YORK—With the closing of the tobacco warehouses at Wilson, Tarboro and Rocky Mount, the great tobacco auction centers of North Carolina, and the refusal of the warehousemen to accept further storage crops in view of the announced withdrawal of the Imperial Tobacco Company of Great Britain to make purchases at this time, planters left with crops on their hands are in a sad plight. Underwriters feel that acceptance of coverage on stocks of the product left upon the farms should be carefully watched for moral hazard; holding that unable to sell their output and in need of cash, some planters might be tempted to sell the output to the fire companies. Losses upon tobacco, as upon cotton, are settled upon the basis of market prices. As it may be sometime before auctions are renewed and the price for the product meantime is steadily declining, planters would profit were they to be able to dispose of their holdings to the insurance companies at the figures quoted at the latest sales. Tobacco begins to ripen in northern Georgia, then in South Carolina, North Carolina and subsequently in Virginia, beginning early in September in the first mentioned territory and progressively thereafter in the other fields.

### Penalty for Insuring in Unauthorized Companies

T. M. Forbes of Atlanta, secretary Cotton Manufacturers Association of Georgia, has sent a letter to members pointing out the legal restrictions placed on assured in that state that get insurance from unauthorized companies. Erwin Wootton of Atlanta, secretary of the Georgia Association of Insurance Agents, furnished Mr. Forbes with the information. Mr. Wootton pointed out in his information that the attorney general, July 17, had upheld section 56-508 of the acts of 1935, which deals with the countersignature of policies by Georgia agents and the division of commission with non-resident agents. It was under this section that the Georgia supreme court handed down a unanimous decision upholding the constitutionality of the section.

The case was State of Georgia vs. Cooper Company which grew out of the Gainesville tornado of April, 1936. The Cooper Company had insurance in an unlicensed company and made claim for storm damage. When the state learned of the unauthorized insurance, it started suit against the Cooper Company to collect a 10 percent penalty provided by Section 56-524. Mr. Wootton declares that it follows that anyone that sees fit to do business with an unlicensed company must notify the insurance commissioner giving the name of the company issuing the policy, show the amount of premium paid and shall pay the commissioner the proper license fee which the company would pay were it admitted

to the business in the state and also the premium tax of 1½ percent and the fire marshal tax of one-tenth of 1 percent. Failure to do this, subjects the assured to a penalty of 10 percent of any amount of loss he might suffer for which he is indemnified by the company.

### All Mutual Policies Are Held Assessable in Texas

DALLAS—Despite the recent ruling by the Alabama attorney-general that non-assessable policies issued by mutual companies continue to be non-assessable even though the carrier eventually becomes insolvent, Texas law cannot be similarly construed, members of the Dallas Insurance Agents Association were informed. The Texas statute, Article 4860, Subdivision 10, provides that: "Such a mutual company may issue a policy without a contingent premium while, but only while, it has a surplus equal to the capital required of a domestic stock insurance company transacting the same kind of insurance, but any such company may issue a policy providing that the holder of any such policy shall be liable for no greater amount than the premium or premium deposit expressed in the policy."

### To Move to New Quarters; Announce Division Heads

NASHVILLE—The Tennessee department has been assigned the entire first floor of the new state office building, now nearing completion. Plans for furnishing and arranging the offices are now being made by Commissioner McCormack and his associates.

After recent minor changes, the heads of division are: Deputy Commissioner and custodian of securities, T. E. Miles; chief examiner, W. L. Harris; actuary, S. E. Allison; insurance examiners, W. S. Roberts, Jr., E. H. Mashburn, and W. C. Flournoy; workmen's compensation manager, auditor and insurance claims, Currey Sanders; small loan companies and insurance field investigator, R. F. Douglass; fire insurance claims and field investigator, V. H. Reed; agents' license division, E. D. King, Jr.

The annual report of the department has been printed and is now being distributed.

### Mashburn Elected President Oklahoma City Insurers

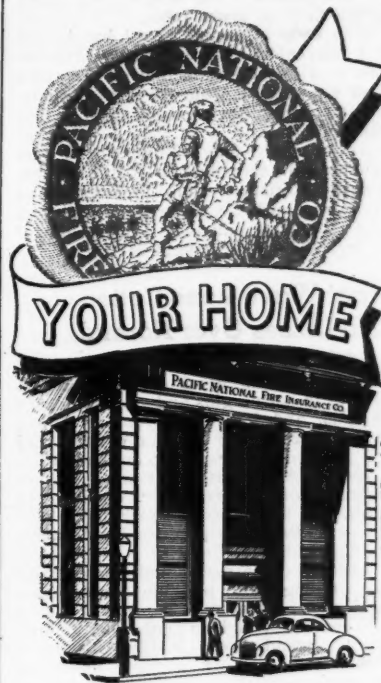
The Oklahoma City Insurers Exchange elected E. V. Mashburn president; Lewis Miller, vice-president; and reelected Leland Booth, secretary-treasurer. The executive committee includes the officers, Woody Clarke, E. R. Ledbetter, Ancel Earp and Harry Carlin.

Chairmen of standing committees are G. M. Fuller, membership; L. I. Baker, public relations; Clarence Haskett, contact; and Clair Williams, entertainment.

The local exchange is making arrangements for the mid-year meeting of the Oklahoma Association of Insurers, Nov. 3-4, with F. W. Ball as chairman, general convention committee.

### League Calls Fire Rates in Oklahoma Exorbitant

OKLAHOMA CITY—The Oklahoma Municipal League, which numbers all principal cities and larger towns in its membership, has taken a stand against alleged exorbitant fire insurance rates on public buildings. The league cites figures seeking to show that in 1937 premiums collected amounted to \$53,862 while losses were only \$1,099, or a gross profit of over 480 percent. The league stated notice was given six months ago that a survey had found rates were exorbitant but no direct action was taken at the time in the hope some voluntary course might be taken



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by companies. The league will enter into a fight to lower rates.

The state insurance board has before it a movement that eventually may result in a general reduction of fire rates over the state. A survey is in process. Final action is not expected until in December or early next year. The reduction sought may amount to 20 percent overall, according to B. E. Harkey, board secretary. Full cooperation of companies will be given, it is believed, and whatever reduction is justified will be granted in a cooperative spirit.

### Heat Wave Runs Cotton Gin Losses Over Normal

LITTLE ROCK, ARK.—Arkansas is experiencing its usual early fall series of fires in cotton gins and storage houses at gins, and losses are running above average because of extreme dryness and the rush of ginneries to accommodate all comers. An intense heat wave late in August forced premature opening of bolls, and producers are picking as rapidly as possible to prevent deterioration in the fields.

Cotton compresses and warehouses are taking all possible precautions against fire, as storage is probably at an all-time peak, and an outbreak in large plants would prove costly. National Board officials are strictly enforcing regulations relative to fire hazards.

### Crump Holds Annual Cruise

MEMPHIS, TENN.—E. H. Crump, of the E. H. Crump & Son agency, staged his annual boat ride for shut-ins of Memphis institutions aboard the "Island Queen" on the Mississippi. Robert Crump, associated with his father in the agency, for some time confined to his bed by a blood clot in an artery of his leg, is not being denied his favorite sport, dove hunting. He

bagged the limit, shooting from his wheel chair.

### Field Men, Agents Hold Outing

The Rio Grande Valley local agents and members of Texas Blue Goose were hosts to the field men who travel in the valley at a barbecue, and white wing hunt in Harlingen and vicinity. Harvey Oler and Clifton Priddy were in charge of arrangements. A barbecue and golf tournament were held at the Harlingen Country Club.

### NEWS BRIEFS

O. J. Van Horn, who has been associated in the Cadwallader & Van Horn Agency, San Antonio, has bought the interest of A. H. Cadwallader and will continue the agency under the same firm name.

The General Insurance Agency has been opened in 130 West Commerce street, San Antonio, with Gerard Merritt, formerly a member of the Newton Jackson & Co. agency, as manager. The agency will represent the General of Seattle.

C. E. Winfree of Little Rock, Ark., has opened the Winfree fire and casualty agency there, with offices in the Insurance building, 321 West Second street.

R. C. Royer has been elected president of the Association of Stock Fire & Casualty Insurance Agents of Roanoke, Vinton and Salem, Va. C. P. Lunsford is vice-president and R. L. Cochran, secretary.

W. D. Pettigrew, president Tennessee Association of Insurance Agents, is leading in the fire prevention campaign in Knoxville, Tenn. During Fire Prevention Week teams of city firemen, under direction of Capt. J. A. Weill of the Knoxville fire department inspection bureau, will inspect for fire hazards.

### Jay Stevens' Rank as Chief Restored at Luncheon

SAN FRANCISCO—A few months ago Governor C. L. Olson "discharged" Jay W. Stevens as California fire marshal after he had served under five governors without compensation, and replaced him with a likeable young attorney without any fire service experience. Mr. Stevens has been restored the title of fire marshal—but of two other states. Fire Commissioner George Reilly of Portland, Ore., presented Mr. Stevens a commission as honorary fire marshal of Oregon in behalf of Governor Harvey Sprague. Chief F. C. McAuliffe of the Chicago fire patrol presented Chief Stevens a badge making him a deputy state fire marshal of Illinois in behalf of Insurance Director Ernest Palmer.

The unusual and unexpected presentations took place at a joint luncheon of San Francisco Blue Goose, Kiwanis and Lions Clubs and the International Association of Fire Chiefs. Following the luncheon the new disaster service unit of Portland, presented to that city by Aaron Frank, well known merchant, and named the "Jay W. Stevens Disaster Unit," was dedicated. The unit was driven from Portland to San Francisco for the occasion.

R. G. Vandegrift, general agent California-Western States Life, Oakland, and former state director of finance; H. K. Cassidy, president San Francisco Life Underwriters Association, and Lloyd Graybiel of the American Trust Company. They pointed out why the proposal is the most dangerous piece of proposed legislation ever presented to the American people to adopt.

The powers given by the 15,000 word amendment put the administrator of the plan above the governor, legislature and courts, with complete control of all public monies in the state, including those of counties and municipalities. The proposed 3 percent tax will cost each "worker" in the state approximately \$625 a year and the California insurance companies enormous sums because of retaliatory laws, they said.

Similar information was presented at a meeting of fire and casualty company executives, where Mr. Page said the meeting of the life men inspired the gathering and called for additional activity on the part of the fire and casualty fraternity. At his suggestion all companies agreed immediately to wire all special agents in the field to drop everything and concentrate on working with agents to get out the vote.

### Urges Attention to Fringe of Insurance Coverages

PORTLAND, ORE.—Addressing the regular meeting of the Portland Insurance Exchange, Wayland Dunham, assistant manager fire insurance department, Swett & Crawford general agency, urged full attention to "fringe of insurance" coverage as a means of increasing agency business and improving the protection of clients.

He listed, as coverage items often neglected, leasehold insurance to owners as well as to occupants of buildings; furnished, as well as unfurnished, rental value insurance; average clauses on all masonry dwellings; demolition insurance; the inclusion of automatic reinstatement clauses, and premium protection insurance on term policies.

### C. A. McKenzie's Change

C. A. McKenzie has resigned as Pacific Coast manager for the Lumber Mutuals at San Francisco to become manager of the newly formed Pacific Coast department of the Federal Hardware Mutuals. He entered insurance in 1918 with the Federal Hardware Mutuals, traveling Wisconsin. The Federal Hardware Mutuals comprise the Hardware Dealers Mutual Fire and the Minnesota Implement Mutual Fire. Pacific Coast offices are at 315 Montgomery street,

San Francisco. The casualty member of the group is the Hardware Mutual Casualty which will continue its coast office at 417 Montgomery street.

### Post Commanders Given Gavels

SAN FRANCISCO—Willis Ullrich, new commander insurance Post of American Legion, and Eric Falconer, outgoing commander, were presented gavels made from wood from a tree on Lincoln's old home farm by Paul Webber. The gavels were the gifts of the Sleeper-Webber general agency of Lincoln National Life. Mr. Ullrich, Charles Landresse of London Assurance and R. M. Coon of the Pacific Board were elected delegates to San Francisco county council of the legion.

### Association Handles Line

COLORADO SPRINGS—The Colorado Springs Association of Insurance Agents, working as a body, has succeeded in getting the fire insurance on a new high school and distributed the commission among members, with a share going into a special association fund for furthering cooperative activities of this type. For convenience, a member was designated to write the entire amount as a representative of the association.

### Supervisory Committee Meeting

The Rocky Mountain supervisory committee will meet in Denver the week of Oct. 16. This is a joint conference of a committee from the Western Underwriters Association and the Pacific Board. W. N. Achenbach, Aetna Fire, is chairman of the W. U. A. committee, his associates being W. P. Robertson, North America; A. F. Powrie, Fire Association, and Wilfred Kurth, Home. The Pacific Board is represented by W. O. Wayman, National Fire; E. T. Cairns, Fireman's Fund; A. T. Daley, North British & Mercantile.

### May Be No Rate Increase

ALBUQUERQUE, N. MEX.—W. J. Kulp of Denver, manager of the Mountain States Inspection Bureau, who has been in the city, states that if Albuquerque continues a program of strengthening its fire defense there probably will be no increase in fire rates. His bureau announced some months ago that the fire department was below standard and rates would have to be raised if improvements were not made. Some of the recommendations have been met. On Oct. 10, there will be a vote on a \$30,000 bond issue to build a new station in the north end and install a new alarm system in the downtown section.

### Hawaii Men on the Coast

R. E. Clark, executive vice-president of the Home of Hawaii, is visiting San Francisco being three months on the mainland. Frank Creeden is also in San Francisco from Hawaii, he being insurance manager for the Dillingham Company, agents for the C. A. Colvin companies, Atlas and Automobile.

### NEWS BRIEFS

Tom Larke, Jr., well known San Francisco broker who about three years ago joined another organization under a partnership arrangement, has announced his intention to resume operations as an individual. His new offices will be in the Royal Insurance Building. He has applied for membership in the Society of Insurance Brokers.

Bruce Shangle, local agent of Milton, Ore., disposed of his agency and business to Frederick Stevens, of the First National Bank of Milton, before moving to California.

In line with recommendations from the Mountain States Inspection Bureau, the Fort Morgan, Colo., fire department notified rural citizens in an advertisement it could no longer answer fire calls outside the city limits except within hose length, but would haul, maintain and man a special rural truck if rural residents would provide it.

## PACIFIC COAST AND MOUNTAIN

### Page, Jr., Is Joining Johnson & Higgins

SAN FRANCISCO — Charles Page, son of President Charles R. Page of Fireman's Fund group, for the past five years executive vice-president and general manager of the San Francisco chamber of commerce, is joining Johnson & Higgins of California. Mr. Page recently retired from the chamber of commerce, a post he took in 1934. He resigned as joint metropolitan manager of Hartford Accident to assume the chamber of commerce position. He started in business with the marine department of the North America in Philadelphia and came to San Francisco in 1931 to join the Hartford.

### Cannot Use Scrip to Pay Premiums

SAN FRANCISCO — Attorney-general Warren of California has ruled that the so-called "\$30 Thursday" warrants included in the "ham and eggs" pension program now before California voters, cannot be used for payment of insurance premiums or to pay losses. He rules that companies or brokers accepting unstamped or partially stamped warrants would violate the anti-rebate securities laws or to pay losses. He ruled the warrants cannot be accepted for investment by insurance companies or trust funds. Known as the retirement life payments act, the measure proposes to pay all Californians over age 50 who do not work \$30 a week in these warrants, which must be redeemed by payment of 2 cent stamps weekly, making \$1.04 in a year. These stamps must be purchased in U. S. cash. The measure also provides a 3 percent gross transactions tax on all individuals, firms and

corporations and gives the administrator of the plan full control over all public funds in California, cities, counties and state. It provides for establishment of a state bank and provides further that its provisions and rulings of administrator cannot be changed by the courts. The measure also names the promoters for appointment as administrator by the governor who must select one of the two.

### Field Club and Bureau to Meet in Denver Oct. 17-18

DENVER—The supervisory committee of the Mountain Field Club and the managing committee of the Mountain States Inspection Bureau will meet in annual session here Oct. 17-18. No announcement was made as to matters to be considered, but it is considered likely that resolutions passed by the Colorado Association of Insurance Agents at its convention last week, one of them demanding a 15 percent contingent commission, will be brought up.

Frederic Williams, secretary of the field club, has invited committees of Colorado, Wyoming and New Mexico local agency groups to appear before the supervisory committee if they have anything to bring up.

### Insurance Men Organize to Fight "Ham and Eggs" Plan

SAN FRANCISCO — Agents, brokers, company employees and executives were urged at two meetings to "suspend business" in order to devote the time up to Sept. 28 toward getting voters to register so they will vote against the California "ham and eggs" pension scheme. Some 700 life men met here and heard C. R. Page, president Fireman's Fund and chairman of the insurance committee opposing the projects;



## Finance Chairman



C. STANLEY STULTS

C. S. Stults of Hightstown, N. J., member of the executive committee of the National Association of Insurance Agents, is chairman of its finance committee, one of the most important divisions of the work of that organization. He will submit his report at the annual meeting next week at Boston.

## EAST

### Pennsylvania Issues New Regulations

Commissioner Taggart of Pennsylvania sends a bulletin to fire and casualty companies calling attention to the opinion of the attorney-general on the subject of capital and surplus investments. This treats of the provisions of section 517-8, and sections 602-3 of the insurance law of 1931, which deals with investments of insurance funds.

The opinion holds that all funds of a fire or casualty company, except surplus, must be invested strictly in accordance with the provisions of sections 517 and 602 respectively. That is, all funds which represent capital stock as well as "reserves" or liabilities must be invested in accordance therewith, even though the word "capital" alone is used in such sections, the opinion of the attorney-general holding that the word "capital" as thus used, is in no sense to be considered only the "capital stock" of a corporation.

The opinion further points out that use of the word "surplus" in sections 518 and 603 is most appropriate. The attorney-general holds that "surplus" is restricted to those funds which are not required to enable a company to begin and to continue in business.

A regulation carrying out the opinion of the attorney-general is promulgated by the department and fire and casualty companies are required to carry out the intent and purpose of the sections—that all liabilities be covered by "preferred

investments" or those enumerated under the caption "investment of capital" (sections 517 and 602), and that only the surplus, or the excess of assets over all liabilities, is permitted to be invested as "investment of surplus" (sections 518 and 603).

Further, all fire and casualty companies doing business in Pennsylvania are required to study their portfolios in the light of this regulation, and to submit to the department a summary setting forth by classification the capital and surplus investments owned by them, and to indicate the surplus as of the date of such summary.

### Program Announced for Maine Meeting

The annual meeting of the Maine Association of Insurance Agents will be held at the Elmwood Hotel, Waterville, Me., Oct. 18 at 2 o'clock in the afternoon. The banquet will be held in the evening. R. M. Pennell of Portland is president. Insurance Commissioner C. W. Lovejoy of Maine, who was formerly secretary of the Maine association, will give a talk. H. W. Plouquet, New England supervisor of the Sun, will speak on "Functions of the Sprinkler Leakage Conference." At the banquet Governor Barrows will be the main speaker.

Some time ago cards were mailed to all members to get suggestions for nomination of officers. The list of nominations to be submitted are: President, F. F. Bartlett, Waterville; first vice-president, E. L. Hegarty, Waterville; second vice-president, O. B. Stevens, Presque Island; third vice-president, Norman Goodwin, Rumford; national councillor, R. M. Pennell, Portland; secretary-treasurer, R. L. Young, Portland; executive committee, W. C. Ladd, Rockland; R. W. Moore, Biddeford. T. C. White of Lewiston was elected by the executive committee to complete the unexpired term of C. J. Cronin of Lewiston, resigned. The hold-over members are: L. W. Helson, chairman, Portland; G. C. Weston, Augusta; A. O. Pike, II, Fryeburg; John Whitcomb, Bar Harbor. Mr. Bartlett, the nominee for president, has been a member of the executive committee.

### Agent Altered Provisions of the Vacancy Clause

Finding that the agent had altered the provisions of the unoccupancy and vacancy clause of a policy, the chancery court of New Jersey in *Nazarro vs. Globe & Republic*, held that the insurer could not avoid liability by pleading the vacancy clause.

Thomas Auld of the T. A. Auld & Son agency delivered a policy to Nazarro, covering an amusement park. Nazarro noticed the unoccupancy and vacancy privilege and inquired whether his "Old Mill Ride" would be covered during the month the amusement park was shut down. Auld told Nazarro not to worry, that the policy would remain in effect because Nazarro visited the park at least every 60 days throughout the year. Nazarro, relying on the assurance, accepted the policy. The agents were entrusted with a blank policy form and endorsement which they were authorized to complete and deliver without consulting the insurer. It was within the scope of their agency and instruction to have issued a policy which, beyond cavil would have covered the "Old Mill Ride" in the off season.

### White, Harrington to Address Bay State Agents Rally

At the abbreviated annual meeting of the Massachusetts Association of Insurance Agents in Boston next Tuesday, there will be a luncheon session with President Harvey R. Preston of Springfield in charge. Greetings will be extended by R. A. Sullivan of Hinkley & Woods, president Boston Board. A. B.

White of Keene, national councillor New Hampshire Association of Insurance Agents, will give a talk on the New Hampshire motor vehicle assigned risk plan. Commissioner Harrington of Massachusetts will be heard on "The Licensing of Qualified Agents & Brokers." Mr. Preston will give his presidential message and the other officers and standing committee chairmen will report. F. R. A. McGlynn of Worcester is chairman of the resolutions committee and C. K. Steele, Gloucester, nominations.

### New Boston Organization Is Seeking More Members

BOSTON—A solicitation for members is being made by the newly organized Associated Insurance Agents & Brokers, which succeeds the Service Men's Protective Association. President H. R. Preston, Springfield, who heads the new organization as he did the old, stated he would continue as president of the Service Men's Association to wind up the affairs of that organization.

In a letter appealing for new members, President Preston says: "The old organization permitted company members and the new will not. The work of the new organization will follow in general the work done by the Service Men's Protective Association. However, it will be much wider in scope, and will conduct a more aggressive campaign which will be on a wider field. Members will receive helpful information from time to time on the unfair and illegal competitive methods of the direct writers."

Agents and brokers are to be admitted and, at smaller dues, office employees of agents and brokers.

The board of the new organization is: R. A. Bunting, Boston; F. C. Church, Jr., Boston; E. J. Cole, Fall River; A. D. Cronin, Boston; J. J. Healy, Barre; H. A. Kneeland, Boston; D. J. Lownd, Northampton; H. E. Moore, Boston; E. L. Murphy, Pittsfield; C. C. Parker, Worcester; G. B. Proctor, Boston, and H. R. Preston, Springfield.

### Essex County Board Elects

NEWARK—At the annual meeting of the Essex County Board, G. E. Jamison, Bloomfield, was elected president, succeeding H. L. Brooks. Other officers are: vice-president, Arthur Zimmerman, Newark; treasurer, Andrew Jack, Maplewood; secretary, C. W. Bollinger, Newark.

H. L. Brooks of Newark and Godfrey Preiser of East Orange were elected to the executive committee for three years: T. S. Snyder, Montclair, and F. W. Westervelt, Newark, for one year.

### Plan Rochester Lecture Course

ROCHESTER, N. Y.—The Underwriters Board of Rochester plans to offer a series of ten weekly lectures on fire insurance beginning next month. The course will be under the supervision of the board's educational committee, of which Roy Duffus is chairman. The class will be instructed by T. M. Childs and a number of guest lecturers.

### Baltimore Courses Start Nov. 1

BALTIMORE—The Insurance Society of Baltimore is sponsoring courses of lectures on "The Principles of Insurance and Suretyship," to begin Nov. 1 and to be given from 1 to 2 p. m., Monday and Wednesday afternoon on the thirteenth floor of the Garrett building. Members can get the course for \$10, the charge for non-members being \$12.50. The final lecture will be given March 13, 1940.

### Maryland Agents' Regional

A regional meeting of the Maryland Association of Insurance Agents was held at Chestertown, Md. J. E. Cochran, president, presiding, reported on the work. Reports also were made by M. E. C. Murray, J. D. Lazenby, S. D. Kolb and

R. G. Bittle. Thomas Hughes, secretary Central of Baltimore, presented an interesting talk on windstorms.

H. M. Walters, Pocomoke City, Md., has taken over the Edgar Fontaine agency of that city. Mr. Walters has represented some leading fire and casualty companies there for many years and is a former vice-president of the Maryland Association of Insurance Agents.

The Taunton (Mass.) Board of Underwriters was addressed by L. H. Tucker, executive secretary Massachusetts Association of Insurance Agents, and H. P. Janisch, general manager Associated Insurance Agents and Brokers Inc.

### Correction on R. B. Swanson

In a recent issue initials or names of field men were printed wrong. Ray B. Swanson has joined the Home of New York as special agent in South Dakota with headquarters at Fargo. He was formerly connected with the Fire Underwriters Inspection Bureau at Minneapolis. He replaces Special Agent H. O. Kallgren.

## CANADIAN

### Winnipeg Institute in Successful Year

At the annual meeting of the Winnipeg, Can., Insurance Institute the guest speaker was Dr. Julius Szwowski, Polish consul there. Secretary G. E. Budden reviewed the work of the organization during the year. There were 159 members, 124 of whom registered for the examination. There were 13 graduates. The Harrison memorial prize for the highest mark for the three-year course as well as the casualty course scholarship, for the first time in the history of the institute, were both won by one man, C. D. Shepard of the Grain Insurance & Guarantee Co., with marks of 88.1 and 93.3 respectively. His marks for the past season were naturally high with an average of 89 in the fire course and 91.5 in casualty.

The highest average for the inland marine course was made by John M. Byers of the North America with 84.5. The officers of the institute are T. D. Harris, Employers Liability, honorary president; R. P. Simpson, Sun, president; J. J. Milne, Royal Exchange, vice-president; G. E. Budden, Western

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Canada Insurance Underwriters Association, secretary, and C. R. Francis, Canadian Fire, treasurer. The council members are D. B. Murray, Canadian Pool Agencies; H. P. Ham, British America; R. E. Jackson, Smith, Fess & Denison; H. A. Roberts, Grain Insurance & Guarantee; T. G. Cox, Canadian Surety; N. C. Woodcock, Caledonian; John Jack, London & Lancashire. A. G. Mackie of the Western Canada Insurance Underwriters Association is honorary auditor. Frances R. Parker of the Western Canada Insurance Underwriters Association is librarian. Those who successfully completed three years study and received their diplomas are:

Casualty Branch—Catherine J. Boyd, Grain Insurance & Guarantee Co.; E. A. Brown, Osler, Hammond & Nanton; C. D. Shepard, Jr., (magna cum laude), Grain Insurance & Guarantee Co.; C. W. J. Vincent (cum laude), Caledonian; M. H. Wilson, Ryan Agency.

Fire Branch—Sheila M. Campbell (magna cum laude), Caledonian; D. R. Carr (cum laude), Dominion of Canada General; Dorothy M. Grant, Prudential Assurance; William T. Lough (cum laude), Fess & Smith; J. J. Prentice, Grain Insurance & Guarantee; Roy H. Prescott (magna cum laude), Canadian Fire; Margaret E. Scott (cum laude), Grain Insurance & Guarantee; C. D. Shepard, Jr. (magna cum laude), Grain Insurance & Guarantee.

### Inland Line in Canada Is Showing Lower Premiums

Underwriting results of the inland transportation business in Canada in 1938 show decreased premium income and a slight increase in loss ratio. The net premiums written in Canada last year on inland transportation amounted to \$825,032, and losses incurred \$348,421, with a loss ratio 42.23 percent, while in 1937 net premiums written were \$918,778, and losses incurred \$356,671, with a loss ratio 38.82 percent.

The total premiums for a period of 42 years were \$16,793,094, and claims incurred \$6,078,087 with loss ratio 36.19 percent.

### Seeks Larger Attendance at Canada Gathering

H. D. McNairn, insurance superintendent of Ontario, who is president of the Association of Superintendents of Insurance of the Provinces of Canada, sends out a circular letter stating that at the annual meeting held in Montreal it was voted to hold next year's convention at Saskatoon, Sask., starting Sept. 16. For some years meetings have been held the latter part of August, the week following the conclusion of the Canadian Bar Association meeting. This has proved inconvenient for many of the insurance executives.

W. E. Baldwin, president of the All-Canada Insurance Federation, and manager in Canada for the America Fore group, asked the superintendents to consider a change of date, pointing out that July and August were usually regarded as vacation months and it was often difficult for company executives to get away. President McNairn said that he is directing the circular to insurance executives who visit their western offices the latter part of the summer or in the autumn, hoping that they can arrange their itineraries in such a way as to be able to attend the conference in large number.

### Canadian Claims Are Lower

OTTAWA, CAN.—Industrial accidents decreased in Canada this year, reports to the Workmen's Compensation Board of Ontario to the end of August, showing 37,551 cases, as compared with 39,955 for the corresponding period of 1938. Benefits awarded in the first eight months amounted to \$3,973,385, compared to \$4,098,654 in the same period of 1938. The number of accidents reported in 1937 was 70,582, and benefits

awarded \$6,126,960; in 1938 59,834 and \$6,464,261, respectively.

### Changes on Declaration Forms

TORONTO—Changes in the writing of declaration forms for policies for fire risks (on other than grain in terminal elevators) have been instituted by the fire branch of the Canadian Underwriters Association. Eligible classes have now been extended to include wholesale and retail stores, office and warehouse furniture and fixtures, machinery incidental to stores and warehouses, improvements except to buildings owned by insured, when declared with the stock. The minimum amount of insurance necessary to qualify for a reporting form of policy has been reduced to \$50,000. The minimum amount of provisional premium has been reduced to \$100 from \$250, the retained premium from \$150 to \$100.

### Dominion Fire Losses Down

TORONTO—A substantial decrease in Canadian fire losses occurred in August, it was estimated by "Monetary Times." Total was set at \$1,578,750 compared to \$1,779,250 in July and \$2,263,900 in August last year. Ontario showed 11 percent increase due to many barn fires, but dropped 8 percent from the corresponding month last year. British Columbia's total decreased considerably from a year ago. Most provinces showed decreases.

### Two Canadians in War Service

F. N. Cabeldu, president of the Victoria (B. C.) & District Fire Insurance Agents Association, has answered the call to the colors, holding a commission as major in the Canadian Scottish. He is a member of the well known Victoria firm of Vander Vliet, Cabeldu & May. Another prominent Victoria insurance man to answer the call is Russell Ker of Ker & Stephenson, who is serving as a major in the 5th coast brigade.

### Bertrand Sun's Quebec Manager

Benoit Bertrand has been appointed branch manager of the Sun group for the province of Quebec. He joined the group in 1930.

### Alberta Department Changes

Ralph D. Moore, for many years with the Alberta insurance department, has been made acting manager of the Alberta insurance fund and fire commissioner. R. D. Henderson, assistant registrar of companies, has been named deputy superintendent.

### Buy Lee & Fraser Agency

P. R. Brown & Sons, Limited, Victoria, B. C., acquired the 50-year-old Victoria insurance agency of Lee & Fraser Company, an agency a few years older than the purchasing firm. Arthur Lee, manager and principal owner of Lee & Fraser, and one of the founders, died some weeks ago. The agency represented Liverpool & London & Globe, and Caledonian Fire.

The New Brunswick Farm Mutual Fire Insurance Association has been formed with P. H. Gallivan, president; W. W. McWilliam, vice-president, and T. A. Best, secretary.

### Kansas Losses Drop in August

Kansas fire losses in August fell off sharply, but total losses for the first eight months exceed 1938 by approximately 5 percent. August losses of \$122,720 were divided into \$38,510 on city property and \$84,210 on farm and rural. The August, 1938 loss was \$312,182.

The Kansas Fire Prevention Association and State Fire Marshal Department have issued a pamphlet entitled "Kansas Fire Facts" giving information to aid fire departments, schools and fire prevention committees, in preparing fire prevention week program, 3,000 copies being distributed.

### Issue Club Publication

The Insurance Women of Wichita have issued a monthly publication

"Hello, There" with Edith Semple, Dunlany, Johnston & Priest Agency, as editor. Tom Fuller, former member of the Wichita Insurers, showed a motion picture of a recent Central America trip at a recent meeting.

## MOTOR

### Finance Accounts and Oregon Agents

SAN FRANCISCO—That insurance companies writing automobile finance accounts in Oregon for which they are paying 30 percent commissions are perfectly willing to pay similar amounts to any agent bringing a major finance account was the basis of a statement made by the companies to a committee of Oregon agents who had objected to the payment of higher commissions to automobile dealers and finance companies than paid to the local representative.

The Oregon agents requested six of the companies which are at present writing major automobile finance accounts to pay similar grade of commissions to their agents. The Oregon agents had a conference with executives of the six companies at San Francisco and were told that in writing automobile insurance business for a major dealer or finance company special agency expense was eliminated. There were no collection difficulties. The business was written on bordereaus, with less underwriting expense; therefore, the companies could afford to pay somewhat higher commissions. Furthermore, to prove that there was no discrimination they agreed to pay 30 percent commission to any agent who brought in a major finance account. The six companies with which the agents conferred were the Aetna Fire, Agricultural, Home of New York, Great American, National of Hartford and Pacific National.

Pacific National Fire has reinsured its automobile finance business in Oregon with the Agricultural, represented by Edward Brown & Sons, general agents at San Francisco. The reinsurance premium is said to have been in excess of \$100,000. The business consists of about \$200,000 a year of automobile insurance premiums written for the account of the First National Bank of Portland, Ore., which has 38 branch banks through the state.

### General Exchange Will Launch a New Company

NEW YORK—Formal intention of forming the Motors' Insurance Corporation of this city has been filed under Section 110 of the insurance law, which permits the writing of fire insurance and allied lines. The incorporators are all directors of the General Exchange Insurance Corporation, a subsidiary of the General Motors Corporation. The new enterprise, which will have a capital of \$1,000,000 and a net surplus of \$500,000, will be under the same general management as the General Exchange. The purpose of launching the new company, it is officially stated, is to operate in certain states from which the General Exchange is now barred because of legal requirements. It was also the thought of the management of the latter enterprise that in view of its great size it would be desirable to have a percentage of new offerings written in a separate allied corporation.

### Real Countersignature Required

BOSTON—Attention is called by Commissioner Harrington to a new Massachusetts law regarding countersignatures on insurance policies. It requires that each policy bear the personal signature of a lawfully constituted and licensed agent of the company in Massachusetts. Use of a facsimile signature by rubber stamp does not comply with

the law, Commissioner Harrington said. He stressed that the law imposes an obligation on all persons selling or financing the purchases or sales of motor vehicles or trailers registered or to be registered in the state, or lending money upon such vehicles as security, and their agents, to make certain the insurance policy is signed by hand before delivery to the persons which they cover. Penalty for violation is fine of \$50 to \$300, which will apply with equal force to finance organizations.

### Staff Members Meeting

ATLANTIC CITY, N. J.—Members of the staff committee of the National Automobile Underwriters Association are meeting at the Shelbourne Hotel here working out material that has been accumulated and which must be analyzed and whipped into final shape. J. Ross Moore, manager, is in charge of the conference.

### Texas Title Law Starts Oct. 1

Enforcement of Texas' new certificate of title act, designed to strike a hard blow at thieves who sell stolen automobiles, will begin Oct. 1. A certificate of title must be obtained from tax collectors on all motor vehicles offered for sale, purchased or encumbered with liens. Otherwise, present owners of motor vehicles will not be required to obtain such a certificate until Jan. 1, 1942. Manufacturers' titles of ownership must be provided on vehicles in possession of dealers Sept. 18.

### Savage Is Texas Chairman

H. A. Savage of Dallas has been elected chairman of the Texas Automobile Insurance Office, which serves automobile writing companies as a central agency for distribution of forms and information. R. B. Cousins of Austin, is manager.

### Bruce Agency Secures Line

YOUNGSTOWN, O.—The Bruce Insurance Agency was awarded a contract for property damage and personal liability insurance on city-owned and operated automobiles on its bid of \$6,759 for one year, the lowest of two bids submitted. The other bid, \$7,750, was submitted by the Fithian Agency.

## MARINE

### Some Reduction in Marine War Rates

MONTREAL—British government war risk insurance on cargoes bound for the United Kingdom is not being written in Canada, but Montreal insurance firms are arranging for it on request. The coverage requires cash payment and a specific valuation on the cargo, and can be written on the specific war risk basis only.

The British government rate is 2 percent and none of the private companies here have quoted less than 5 percent for the same coverage.

### LOWER RATES IN N. Y.

NEW YORK—It is reported that some companies are writing war risk insurance on British cargoes en route to the United Kingdom from New York for 1½ percent, as compared with the British government rate of 2 percent.

War risk rates on cargoes carried in belligerent flag vessels from the Far East were reduced from 4 percent to 3 percent this week. Cargoes imported from the Far East consist largely of rubber, burlaps and gums and are carried almost wholly by British vessels.

### SUB SCARES RAISE COAST RATES

TORONTO—Fear of enemy submarines operating in North American waters was reflected in the doubling of



war risk insurance rates for cargoes carried on ships between Canadian and Newfoundland coastal ports and for cargoes on other than neutral ships traveling between Canada and any part of the North American coast line.

The war risk market on overseas shipping is apparently settling down, the highest rate now applying only on cargoes to or from Eire and the continent between Ostend and Bergen. Cargoes going to or via the Mediterranean are no longer in the highest rated class. For the first time, Canadian offices are making a distinction between British and French shipping and cargoes on neutral ships bound to neutral European ports. This differential now ranges from 1/2 of 1 percent to 2 percent.

## Should Push Fur Floater Sale Now

Right now is one of the best times to sell the inland marine fur floater. Furs are always being purchased or taken out of storage in the fall and with the coming of the Christmas holidays, which are not far distant, they are going to be given as gifts.

Clients already on the books and information from local furriers form the best prospect sources.

Fur coats, neck pieces on evening wraps and fur trimmed garments are covered under the policy. Protection, in addition to covering the assured, is extended also to members of the family if living in the same domicile.

Coverage is "all risk" for loss or damage anywhere in the world. This excludes gradual deterioration, moth, vermin, inherent vice or damage sustained due to any process or while being actually worked upon and resulting therefrom. Also loss or damage due to war, invasion, hostilities, rebellion, insurrection, confiscation by order of government, public authority or risks of contraband or illegal transportation and/or trade are excluded.

As the articles insured are individually scheduled with an amount of insurance applying to each item, an appraisal or bill of sale, if recently purchased, should be submitted. This serves not only as a description and basis for insurance, but also as an accurate identification to help locate lost or stolen property.

Minimum premium is \$5 on a one year policy and \$14.50 on a three year policy.

## Photographers Are Good Market Now

In going after business this fall, inland marine men should not overlook the fact that photographers have cameras, equipment and supplies which can be covered by three types of policies, camera, parcel post and transportation.

Within the next few months, especially in cities and towns where high schools and colleges publish yearbooks, many students will be having their pictures taken for their school yearbooks. Usually, additional pictures are given to admiring relatives and friends, either for Christmas or as birthday or informal gifts. Such pictures are often mailed by the photographer and therefore the parcel post policy can apply.

Parcel post insurance covers against "all risks" from the time the package is accepted by the post office to the time it is delivered to the addressee within the United States or Canada. There are two forms:

1. The coupon system with books of coupons containing 100, 200, 500 or 1,000 coupons at five cents per coupon.

2. The open policy system. This is written for a deposit of \$50 (which is the minimum annual earned premium) at a rate usually averaging 25 cents or 30 cents per \$100 of property shipped. This form is practicable only for large shippers. It will not apply to most photographers.

Because the average commercial photo-

grapher possesses much equipment such as cameras, projectors, apparatus, lenses, films and other equipment the camera floater is a natural.

### Individually Scheduled

The insured articles are individually scheduled showing description, also serial numbers, if possible. Specific insured value is applied to each item. Miscellaneous items may be blanketed to an amount not exceeding ten percent of the aggregate amount insured. The

schedule not only serves as a description and basis for insurance, but also as an accurate identification, to help locate or replace the property if damaged or stolen.

Commercial risks totalling \$3,000 should be subjected for special rating. The rate is two percent with a minimum premium of \$5. Aircraft and infidelity exclusions may be eliminated by endorsement but at an additional premium.

The transportation policy (annual shipper's insurance) is designed to pro-

tect the property of the owner or person having an insurable interest in the property while in the custody of various carriers, but excluding shipments by parcel post. It is usual to provide coverage in the custody of railroads, railway express companies, steamers navigating in United States coastwise and Gulf waters, and motor trucks including trucks owned or operated by the assured.

It is unnecessary to issue a policy covering in the custody of all of these carriers for the transportation policy is

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800 Brandeis Theatre Bldg.  
Omaha, Neb.

Representing: Royal Indemnity; Eagle Indemnity;  
Central Surety; National Casualty; Iowa Mutual;  
Continental Casualty. Equipped for investigations  
and settlement claims by experienced company ad-  
justers.

## OKLAHOMA

### Rittenhouse, Webster & Rittenhouse

8th Floor—1st National Bank Bldg.  
Oklahoma City, Okla.  
Specializing in defense fire, surety, casualty and  
life companies.

### CAMPBELL & BIDDISON

Suite 1302 National Bank of Tulsa  
Tulsa, Okla.  
Harry Campbell  
Valjean Biddison  
Harry Campbell, Jr.

## SOUTH CAROLINA

### THOMAS, CAIN & BLACK

1000-7 Central Union Building  
Columbia, South Carolina  
Specializing in Fire, Casualty, Surety and Life.  
Trial of all cases.  
Equipped for investigations and adjustments all over  
South Carolina.

## TEXAS

### Patterson & Patterson

628-36 Littlefield Building  
Austin, Texas  
Defense of Insurance Companies in State and Federal  
courts appearing before all commissions.  
Investigations and adjustments.

### LAW OFFICES DALLAS C. BIGGERS

1718 Republic Bank Bldg.  
Dallas, Tex.  
Durward D. Mahon  
Ralph D. Baker  
Chandler Lloyd  
Scott Clark  
Investigations—Trial in all courts.

### Cantey, Hanger & McMahon

15th Floor, Sinclair Bldg.  
Fort Worth, Texas  
Samuel B. Cantey Alfred McMahon  
William A. Hanger Gillis A. Johnson  
Mark McMahon B. K. Hanger  
W. D. Smith  
Trial all Courts—Investigations

### McGOWN, McGOWN, GODFREY & LOGAN

719-16 Petroleum Bldg.  
Fort Worth, Tex.  
Geo. Q. McGown Berl. E. Godfrey  
(Deceased 1934) Harry L. Logan, Jr.  
Henry T. McGown John M. Scott, Jr.  
Geo. Q. McGown, Jr.

### TERRELL, DAVIS, HALL & CLEMENS

South Texas Bank Bldg.  
San Antonio, Tex.  
Representing: Metropolitan Life; Bankers Life of  
Iowa; Royal Indemnity, London Guarantee & Assur-  
ant; Globe. Others on request.

## WASHINGTON

### H. EARL DAVIS

341 Sherwood Building  
Spokane, Washington  
Representing the Columbia Cas., Ocean Acc. &  
Guarantee, Royal Indemnity, Eagle Indemnity, Great  
American Indemnity, American Surety, New York  
Casualty, U. S. Guarantee, Ohio Casualty Ins.,  
Great Lakes Casualty, Connecticut Indemnity, St.  
Paul Mercury Indemnity.  
Equipped to handle investigations and adjustments  
and all types of insurance trial work.

**Pave the Way**—An accident policy sale is the easiest way to get acquainted with your prospect and pave the way for other lines. For suggestions that sell read *The Accident & Health Review*, A-1946 Insurance Exchange, Chicago. Sample 10c.

flexible and may cover for any one or several of them.

This policy is a necessity especially if the commercial photographer has a truck or several trucks for the operation of his business. Insuring conditions vary with an assured's individual situation and so many factors enter into the cost that it is necessary to receive complete and specific information for each particular risk, such as that pertaining to volume of shipments, destinations, commodity, packing, proportion shipped by various types of carriers and by assured's own trucks, and past loss experience.

Agents would do well to pay particular attention to the transportation policy because it is not oversold.

As is the case of most marine policies particular attention should be paid to the exclusions.

### Inland Marine Lecturer at Boston Convention

E. Dana Johnson of Atlanta, Ga., assistant secretary W. H. McGee & Co., the well known marine insurance house, will be present at the Boston convention of the National Association of Insurance Agents next week. He has developed into one of the most popular lecturers and educators at state insurance schools. During the last six months he has appeared before five schools, they being North Carolina, Indiana, Florida, Georgia, and Louisiana. The total enrollment was about 1,400. At the Florida, Georgia and Louisiana schools he presented a motion picture feature which is a newly developed idea of his to stimulate interest in the lecture. Mr. Johnson is a young man of real talent and ability.



Mr. Johnson is a young man of real talent and ability.

### Appleton & Cox Campaign

Appleton & Cox of New York City, well-known marine underwriters, have gone back as far as Columbus' Santa Maria for material to illustrate their new trade journal campaign. Aptly headlined "Ships That Have Made History," each advertisement features a line drawing of a famous ship; copy is closely tied in with a descriptive caption of the ship. The program will include 12 advertisements, the last of the series showing the newly-launched United States liner "America."

R. D. Parker handles the advertising for Appleton & Cox, through Cowan & Dengler, advertising agency.

### Joins Phoenix of Hartford

T. A. Valine, Jr., is joining the force of the Phoenix of Hartford group as a

special agent in the inland marine and service department, under N. W. Cady, superintendent, with headquarters at 234 Pere Marquette building, Minneapolis. He comes from the Stock Yards Mortgage Co., a local agency in South St. Paul, Minn., where he has been vice president and manager during the past six years.

Prior to 1933, Mr. Valine attended the University of Minnesota. He is also a graduate of one of the home office casualty schools, and has had special training in insurance survey work.

Mr. Valine will be contacting agencies in Minnesota, Wisconsin, Iowa, Nebraska, North and South Dakota.

## Program Announced for Missouri Agents at Excelsior Springs

(CONTINUED FROM PAGE 3)

Garlichs.

"Aiding Agency Acceptance Over the Airways," Briggs Hoffman, St. Louis.

"The Passing Parade," R. W. (Mickey) Forshay, Anita, Ia., member executive committee, National Association, and chairman National Association's rural agents' committee.

"This and That," Bonner Clinite, superintendent, Missouri Audit Bureau, St. Louis.

Local board officers' luncheon, W. J. Welsh presiding.

### Afternoon Session

Report from L. E. Bright, St. Louis, National Councilor for the Missouri Association.

Address, Wallace Falvey, New York City, vice-president, Massachusetts Bonding, chairman advisory committee National Conservation Bureau of the Association of Casualty & Surety Executives.

Address, R. E. DeHaven, president, Missouri Fire Underwriters Association. "Competition—Let's Be Mulish," Wellington Potter.

Election of officers.

Annual banquet—Moulton Green, R. B. Jones & Sons, Kansas City, toastmaster. Special report of the Secretary, H. P. Linn, Central Surety, Kansas City.

"Accident Insurance," Briggs Hoffman. Floor show, William S. Mann, R. B. Jones & Sons, chairman. Dancing.

### Bonds on Big Ship Order

LOS ANGELES—Pacific Indemnity is the originating company on the \$4,914,000 bond covering the contract of Consolidated Steel Co. of this city for construction of four new cargo vessels, awarded tentatively by the United States Maritime Commission. The contract calls for completion of the first ship by Dec. 6, 1939, and the others at 60 day intervals. Aetna Casualty, Glens Falls Indemnity, Massachusetts Bonding, American Bonding, U. S. F. & G., National Surety, Fidelity & Casualty and Fireman's Fund Indemnity are participating.

## Comment on Insurance Stocks Made by Firm

(CONTINUED FROM PAGE 10)

so the total funds available for investment are equivalent to \$74.31 for each share of stock outstanding. Hence, although Company X has invested only 12½ percent of the total assets actually available for investment in common stocks—equivalent to about \$9.30 per share—that amount is equivalent to about 30 percent of the present market price of the shares. So as a consequence of the 'leverage' factor, the stockholder in Company X gains the protection of a highly conservative bond portfolio, yet has an amount equivalent to 30 percent of the total stockholder investment employed in equities although superficially, only 12½ percent of the investment fund apparently is so employed.

"If the security markets are accurately forecasting the imminence of improving business, higher earnings will lead to increased dividends on many common stocks, and bonds will be available at prices affording more liberal yields than have been recently available. In that event the income accruing from the investment portfolios of fire and casualty insurance companies will increase, making dividend increases on these stocks in turn seem highly probable.

### Profits Definitely More Certain

"With the growth in business volume and earning power during the period of the World War a matter of record, and enjoying definite benefits automatically derived from a rise in business activity by whatever cause stimulated, many bona-fide investors may prefer to buy the stock of a successful insurance company which owns in substantial amount other common stocks—including some of the 'war babies' which already have advanced 15 to 30 points and more—rather than speculate on a single stock or two. Numerous financial writers—and some government officials—have suggested that the effects of war abroad on American industry and security prices may have been over-discounted, and, perhaps, inaccurately appraised. Others have warned that the switching from sound investment securities into 'war babies,' and the diversion of new funds into these stocks at prices 50 to 100 percent above the level prevailing only two weeks ago, may prove to have been inspired by unwarranted enthusiasm as to the benefits of war, and inadequate consideration of fundamental investment values. The profits from investment in insurance stocks may be less spectacular, but definitely more certain, based on the increasing business and profits of these companies during the 1914-1918 debacle."

### H. W. CORNELIUS' VIEWS

Quotations of stocks of fire companies have increased in some instances as much as five points as a result of war conditions. Further advances are to be expected as larger inventories and increased values will naturally result in large premium volume for the stock companies. Many fire companies carry common stocks in their investment portfolios and with improved business conditions and profits these investments will help to produce profit for the fire companies, according to H. W. Cornelius, insurance specialist of the Chicago investment house of Bacon, Whipple & Co.

It is too early to make any predictions regarding the stocks of casualty companies, Mr. Cornelius said, but is quite likely that operations of the life companies will be more profitable. As less new business is written by the life companies their margin of profit increases. Heavier first year acquisition costs account for this. Though life companies in Illinois can now purchase common stocks for investment, according to provisions of the state law which became effective over a year ago, few companies have indicated any trend toward purchasing this type of investment. This may be partly due to the fact that they

are operating in many states where common stocks cannot be included in the investment portfolio.

Insurance stocks are fundamentally non-speculative. Though a decade ago there was some tendency to speculate in insurance stocks, this tendency has almost disappeared entirely now. Officers of insurance companies discourage speculation in the stocks of their companies, according to Mr. Cornelius. Often banks recommend insurance stocks now for a certain portion of estate investments. Insurance stocks do not have the wide appeal as the public does not seem to be as conscious of the investment value of such securities. The chief buyers of insurance stocks have been agents and persons connected directly with the insurance business.

## NEW YORK

### FOREIGN INSURANCE SERVICE

With daily headlines in the press pointing to new and larger trade opportunities for the United States in many foreign countries, the already important question of insurance coverage for American interests abroad gains added significance. There are many reasons back of the phrase "American insurance for American properties abroad" and they are set forth in a booklet just issued by the American International Underwriters Corporation, 111 John Street, New York City. It should find a place for ready reference on the desk of every broker and agent.

The plan of the book warrants comment, for it is evidently designed for the convenience of the busy executive who has the difficult job daily of sifting from the vast amount of printed matter constantly coming across his desk, those occasional useful nuggets of information that are important and helpful to his business.

The American International Underwriters Corporation acts as foreign managers for a number of American fire and casualty companies.

### PINK TO OPEN COURSES

Superintendent L. H. Pink will address the Insurance Society of New York at the opening session of its 1939-1940 educational courses, at the Chamber of Commerce Oct. 2.

### AUGUST FIRE RECORD

The New York Board shows that fire losses in its territory in August decreased 29.6 percent in value and increased 41.8 percent in number, as compared with August a year ago. For eight months the number of fires increased 27.4 and value 15.1.

### NATIONAL BOARD'S CONTRIBUTION

The National Board house organ, "Safeguarding America Against Fire," appears with a new cover completely taken up by a large photograph of a factory fire. The chief article signed by F. D. Layton, president of the National Fire and president of the National Board, is entitled, "Don't Let This Happen in Your City." It describes the danger of conflagration in cities and the work of the National Board in preventing them.

William Rodiek, Jr., son of William Rodiek, head of the well known William Rodiek & Co. agency, St. Louis, and associated with his father, was married to Miss Rosemary Tuschmidt of St. Louis. F. W. Franzen, vice-president Commercial Casualty, was toastmaster at a bachelor's dinner.

The Dodge County Insurance Agents' Association held its monthly meeting at Mayville, Wis. George Conway, Milwaukee, resident manager Fidelity & Casualty, spoke on "Health and Accident Insurance Underwriting." The October meeting will be held at Theresa.



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IN PHILADELPHIA

CLAUDE H. BENNETT  
General Manager